President Oakes on Lake Shore's Future—Page 18

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The Nation's Business

The Budget
Higher Taxation as Substitute for Economy
Bennett Reverses Liberal Policy

MR. BENNETT'S SECOND BUDGET

MR. BENNETT'S budget contains all the new taxes that were expected and a great many more. It provides a full measure of tariff proposals for the development of Canadian economic life but emphasis is laid upon revenue rather than protective features. It cannot be said that Mr. Bennett has been false to pre-election pledges; he has implemented his promise of higher protection; he has made a beginning on a national fuel policy; he has reduced the income tax (although not by much) and he has continued to spend money with all the extravagance that characterized his platform promises. Therein lies the chief weakness of the budget; it sees only one way to meet a deficit in national revenue; namely, increased taxation. This year's estimates show a reduction of $37,000,000 but this saving may be drastically reduced when the supplementary estimates come down. On the other hand, new taxation is imposed that is estimated to bring in $94,000,000 of new revenue. Adding $94,000,000 to federal tax burdens at a time when business is seriously depressed will in itself offset much, if not all, of the stimulus provided to special interests by new protective proposals.

* * *

WHILE specific tariff changes apply only to about 200 items the budget effects, there is an increase in every item in the tariff through a special one per cent excise tax on imports. The changes in the tariff effected at the September, 1930, session were based upon the promise of manufacturers that they would not increase prices. But this week's changes must inevitably raise the general level of prices in Canada—both wholesale and retail prices. Business will be stimulated and likewise employment, but on the other hand the cost of living will be higher. In view of declining costs of commodities and services generally the increase in the cost of living may be easily absorbed and be scarcely noticeable. It will bear most heavily on primary producers but to several classes of these—wheat growers and coal miners notably—special relief is to be afforded.

Mr. Bennett abandons the Liberal policy of aiding primary and export producers through lowering their cost of production. He increases their costs—in order to benefit industry—and gives them offsetting privileges of another character. It is a vast scheme of taxing those who are making profits under Canada's economic and fiscal systems in order to bonus those who temporarily are not. It is an experiment in the national laboratory where for sixty-five years we have been trying to make one well integrated nation in the face of serious geographical barriers.

* * *

THE new tariff increases will affect chiefly our imports from the United States. Their effect will, in many cases, not be fully noted until business generally is brisker. They show the trend that may be expected in Mr. Bennett's tariff policy—absolute protection and, in many cases, a virtual embargo. The tax on magazines is a case in point. This will seriously embarrass American publishers but it will embarrass Canadian news dealers even more. It may cause some American publishers to have part of their printing done in Canadian plants which would create a small measure of employment in these plants and in Canadian paper mills. It may help Canadian magazines to some extent but probably not enough to offset the increased burden put upon them through higher costs. It is a tax that will affect many people. But the prime minister undoubtedly sees a genuine menace to Canadian industry in this overflow of American advertising. His new tax may be regarded more as assistance to Canadian manufacturers than to Canadian publishers.

* * *

FIFTEEN cents a pound on imported magazines should, as just stated, benefit Canadian manufacturers. Many United States manufacturers have advertised in United States magazines with little or no thought of the Canadian market. These magazines have had a circulation in Canada amounting to probably five or 10 per cent of their total circulation. The overflow of circulation in Canada has been the means of creating considerable volume of business from Canadian buyers.

Canadian manufacturers have been unable to meet these firms on an equal footing as it was impossible for them to advertise in magazines with 90 per cent or more of their circulation in a territory from which they were excluded by high tariff.

There seems to be a general conception that the tax on magazines was imposed at the request of Canadian publishers. This is not the case. The advantages to the Canadian publisher are somewhat problematical. The magazine publisher in Canada has to pay about 35 per cent higher price for paper, ink, engravings, etc., than does his United States competitor. Payments for special articles and illustrations must be absorbed by a circulation of one-tenth or one-fifteenth of United States competitors. The Canadian publisher has been struggling with the problem of getting costs down to a basis that would enable him to quote a reasonable and acceptable advertising rate. Last fall the tariff

(Continued on page 2, col. 4)

BRANT CORDAGE PRESENT YIELD 12½ PER CENT

See No Immediate Threat to First Preferred Dividend

CURRENT ASSETS HIGH

Substantial Proportion of Shares Bought By Company For Cancellation in Five Years

First preferred stock of Brantford Cordage Co. has been attracting some attention recently because it is selling to yield 12½ per cent annually. The stock is of $25 par value and from a high of 22½ in January has been gradually selling down until at present it is changing hands on the Toronto market at $16 per share.

So far as can be learned, there is no danger of the dividend being eliminated or reduced. On the basis of the number of shares outstanding as at August 30, 1930, the last report available, the annual dividend requirements is $139,556. At that date the company showed cash at $349,921.

Is Strong in Liquids

Current liabilities totalled only $41,208, and the ratio of current assets to current liabilities was better than 58 to 1. Receivables totalled $1,164,809, inventories at cost, not exceeding market value, at $863,801, and the total of current assets was $2,400,900.

The decline in the market value of the shares is probably due primarily to the conditions in Western Canada and the prospects at this time that the demand for binder twine, the company's only product, will be less than in normal years. The general conditions in the securities markets probably has made some holders nervous.

Dividend Paid Regularly

C. L. Messecar, the head of the company and its predecessor enterprises, died in March of this year and the loss of his services probably has been an unsettling factor in the minds of investors. He has been succeeded by his son, W. M. Messecar, and it is the belief of those familiar with the affairs of the company that the excellent management will continue.

The dividend has been paid regularly since the original offering of the stock in March, 1925. For the year ended August 31, 1927, there was a net loss of $149,968 and, after payment of dividends, the surplus was reduced by $304,596 for the year. In the following year, however, the company earned $1.84 on its first preferred, against the dividend requirement of $2. In 1929, the profit per share was $5.75 and in 1930 it was $4.88.

Operation of the sinking fund of 50 cents per share per year has steadily reduced the number of shares outstanding and provided a good market for the shares. The sinking fund would require annual purchase or redemption of 1,600 shares on the basis of par value, or 1,333 shares on the basis of the redemption price of $30. But in five years 10,222 shares were redeemed out of the original issue of 80,000 shares and it is understood that there have been further purchases since the issuance of the last report.

While the present market price of the first preferred shares is on a 12½ per cent yield basis, this is not the low price for the stock. In 1927 and again in 1928 this issue sold at 14. The present figure of 16 has prevailed for two or three weeks recently, although on May 19, 100 shares changed hands at 14.

Record is Successful

The stock never has sold at its redemption price of 30, but it was at 28 in 1925, 27½ in 1928 and 25 in 1927. In 1930 the high was 24 and in the present year it has sold at 22½. The drift downward has been fairly consistent since January.

The record of the company has been successful. Its earnings are dependent, to a large degree, on the size of the crops in Western Canada, and it has had to contend with com-

(Continued on page 2, col. 5)

New C.M.A. Officials Elected at Victoria

W. H. MINER W. C. COULTER GEO. HENDERSON

W. H. Miner, president and managing director of the Miner Rubber Co. and resident of Granby, P.Q., was elected president of the Canadian Manufacturers Association at its annual meeting held in Victoria this week. W. C. Coulter, president of the Coulter Brass Co., Toronto, was elected first vice-president and George Henderson, president and general manager of Brandram-Henderson of Montreal, was elected second vice-president.

Unfair Practices Charged to Banks By Bond Dealers

Claim Made Some Managers Steal Business from Bond Men

MAY AIR QUESTION

Experiences Uncovered in Recent Conversion Loan Cited as Evidence of Unethical Methods

Charges that the Canadian chartered banks are entering into unfair competition with investment bankers in the purchase and sale of high-grade bonds and that in many cases branch managers have been guilty of unethical practices in the sale of bonds are rife in investment circles. A feeling of nervousness due to bank activities in the investment banking field has been gradually growing for some time. It has been given impetus by the conditions which have existed in the bond market for the past year and as a result of the activities of the banks during the period for exchange of war bonds into the recent conversion loan has broken out in the form of actual resentment.

With ten chartered banks controlling the credit facilities of the country, on one side, and investment bankers, dependent upon credit for the successful operation of their business, on the other side the situation is such that no individual has been willing, to date, to take the lead in openly protesting against bank activity in the bond field.

The whole vexed problem, it is understood, may be aired at the forthcoming annual meeting of the Investment Bankers' Association. It is no secret that any discussion will be "in camera." Data on the subject is being collected for presentation, it is understood.

Investment bankers are not clear in their own minds as to what would be a proper limitation for the bond selling activities of the banks. But while they are willing to leave open for discussion the broad general question of bank activities in bond selling they are aroused by what they deem to be unfair practices indulged in by some bank managers. Charges are made that some managers have used their fiduciary positions in relation to their customers to steal business created by bond houses.

Ethics Are Questioned

Cases of alleged unethical practices on the part of branch managers are reported in considerable number. While varying in character, they are, in large part, based upon the ability of the branch manager to have access to confidential information regarding the financial position and the investments of not only his own clients or depositors but of many residents of the locality in which his branch is located. Such information, it is stated, has been used by many managers and accountants in diverse ways, all of which adversely affect the investment banking house and its agent.

For several weeks previous to the

(Continued on page 3, col. 4)

Squires Quotes Post as Authority

From Our Own Correspondent

MONTREAL.—Newfoundland's bond issue of $8,000,000 will be subscribed. This is the certain opinion expressed by Sir Richard Squires, Premier of Newfoundland, who is in Canada on a brief business trip. When shown a dispatch quoting Hon. F. C. Alderice, leader of the opposition, to the effect that people would not buy the bonds of Newfoundland as long as there was a lack of faith and confidence, Sir Richard issued the following official statement:

"My answer to this message is that the Newfoundland commercial agitation is political in character. For statement of fact as to Newfoundland's financial position and development, I would refer you to The Financial Post of Toronto, issued on Thursday, May 28."

STOCK MARKET IS HESITANT ABOUT BUDGET

Traders Need Further Study to Judge Full Effect on Companies

Canadian stock markets on June 1 and June 2 showed no effects of the new Dominion Government budget. As executives of various enterprises were slow in committing themselves to opinions as to how the new tariff provisions would affect their business, traders apparently have followed suit. As June 3 was the King's birthday there was no opportunity to show whether sentiment was affected by the budget or not. General brokerage opinion was that there are too many general resolutions, in addition to specific changes in duties, to permit of manufacturers and business men deciding off-hand as to what results are going to be.

Motor Car Makers Aided

Executives questioned by The Financial Post, while expressing for the most part a feeling that most of the new protective features will be helpful to Canadian industry, also desired more time to study the budget. Greater protection for motor car part manufacturers aroused great interst, and in general, it was expected that this would be of value to present manufacturers of motor car parts and stimulate plans of United States firms to locate branches in Canada. Motor car manufacturers were as a rule enthusiastic about the embargo on United States and foreign used cars and the higher protection afforded against the more expensive types of motor cars. Packers and container manufacturers already have been enjoying increased protection since last September on their products and they have not yet been able to judge the full effect of the additional duties against containers carrying foreign goods. One reason for the delay in arriving at an opinion is that the higher sales tax and corporation tax, while expected, means higher direct payments whose effect is somewhat sobering.

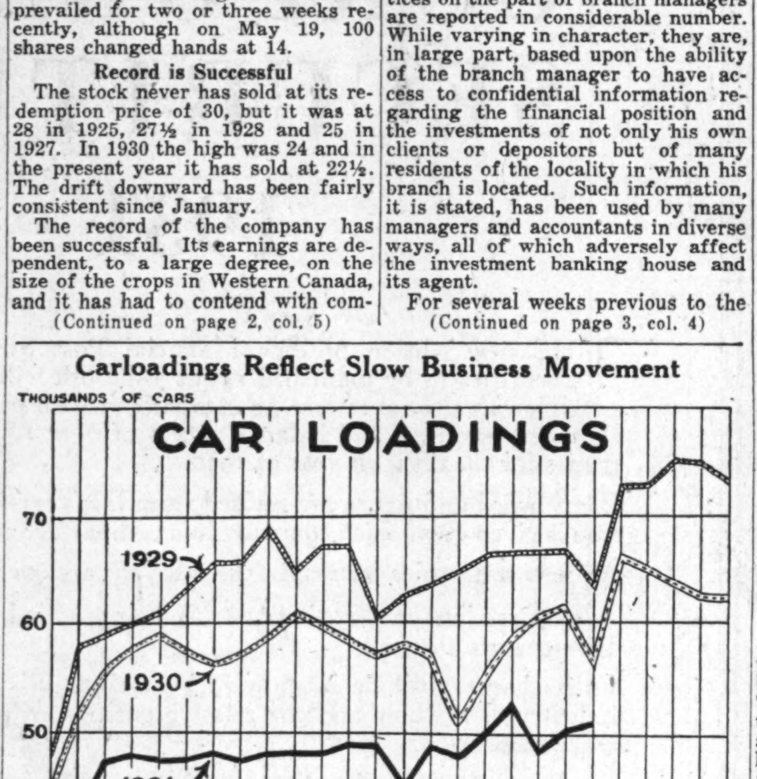
Helps Page-Hersey Tubes

Special consideration with respect to lower duties on Bessemer steel billets will be of aid to Page-Hersey Tubes and lower duties on certain types of pipes and tubes will not affect the company while probably leading to lower costs for companies which are large users. Dominion Foundries & Steel will be aided by the new tariff. Canadian Steel Corp. at Ojibway, subsidiary of United States Steel Corp., however, indicated through an official that reduction on steel billets might prevent blast furnaces there being put in operation. He also said that the wire mill might be affected by reduction of duty on stel wire unless duty on steel rods was also affected. Roofing companies and building material companies such as Gypsum, Lime & Alabastine and Building Products will be assisted by the new duties.

The Algoma Steel Corp. may be affected by the reduction in the duty on Bessemer steel billets to an extent not yet estimated by officials. That company is not interested in steel plate, wire netting, green saw steel,

(Continued on page 3, col. 1)

Carloadings Reflect Slow Business Movement



Although weekly movement of grain in the western provinces has been almost without exception ahead of corresponding figures for 1930, increased carloadings from this source (amounting to 18 per cent for the year to date) have been more than offset by declines in every other type of merchandise handled by Canadian railways. Current weekly figures of all carloadings are running from 11 to 18 per cent behind 1930, with the cumulative total to date 16.5 per cent behind last year. Total loadings for the year to date are over 24 per cent behind 1929. The graph shows the trend of carloadings of revenue freight on Canadian railways during the first half of the last three years.

DANGER EXISTS FARMERS MAY NOT GET BONUS

Bennett's Freight Subsidy Not Assured of Success

MAY REACT ABROAD

If Big Customers Call It Dumping, They May Take Retaliatory Action to Curb Good Effect

From Our Own Correspondent

OTTAWA.—Inquiries at the Prime Minister's office Wednesday disclosed the fact that the wheat subvention policy announced in the budget has still to be translated into legislation. Beyond deciding that western farmers are to be bonused to the extent of five cents per bushel on export wheat, Mr. Bennett has not come to grips with the administrative features of the policy.

Conversation with cabinet ministers from the west, however, clarifies one or two points in regard to this policy. The proposal is confined, for the moment, to export wheat, because the Government hopes that it can minimize the cost to the treasury, and at the same time raise the price of all wheat marketed from the prairies by the full amount of the subvention. If it is found impossible to do this, the subvention will be paid upon all wheat shipped by farmers.

Applies to Prairies Only

The policy is to apply only to wheat shipped from points between Fort William and the Pacific coast, and will not operate in other sections of the Dominion.

The common impression here is that when Mr. Bennett gets down to the business of administering the policy and drafting the legislation, he will find it difficult if not impossible to differentiate between domestic and export sales of wheat, and will make his policy apply to both. If this is done the probable solution of the administration problem would be to instruct the railway companies to reduce their freight rates on wheat by five cents per bushel in this territory. At the close of each fiscal year, the railways would present a bill to the Government declaring they had carried a given quantity of wheat, and would receive five cents per bushel.

There has been little reaction as yet in Western Canada to the announced policy, but complaints are coming in from milling companies who, apparently, are under the impression that they will be penalized to the extent of five cents per bushel on their export trade. There is no reason to believe that these fears are well grounded.

From Our Own Correspondent

WINNIPEG.—Two dangers are involved in Premier Bennett's proposal for a bonus on export wheat. One is that the money paid out by the Government will not in fact reach the farmer for whose benefit it is intended; the other is that an export bounty may have some adverse influence against attempts to recover the market for Canadian wheat and that other countries, either importers or competitive sellers, may be moved to retaliation against what they may interpret to be dumping.

It is quite possible for an export bonus on a commodity to be reflected in a lower price to the consumer instead of in a higher price to the producer or again in greater earnings for ocean carriers. The same thing applies to reductions in transportation charges. If the new plan is applied by way of a reduction in freight rates on all wheat shipped to Port Arthur or Fort William and to Vancouver on an export rate, the benefit may be reflected directly in the price received by the farmer. Prices prevailing at Vancouver or at the head of the lakes should remain largely unaffected and prices paid to farmers at interior points should be greater by the amount of the bonus. In that case, the Government's payments would not be direct, either to farmers or to handlers of grain, but to the railways to make up for the reduction in rates.

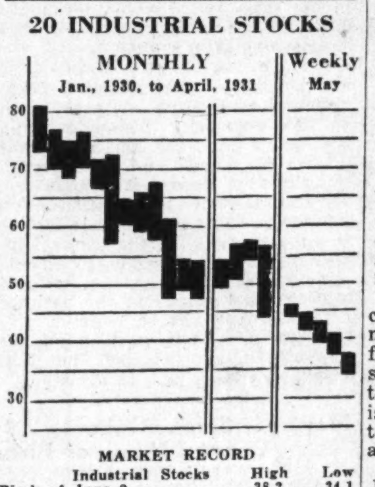
Milling-in-Transit

Due care will have to be taken to protect the milling in transit privi-

(Continued on page 3, col. 3)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of June 2	38.2	34.1
Week of May 26	40.9	37.5
Month of May, 1930	74.5	66.4
8 Bank Stocks		
Week of June 2	224	219
Week of May 26	232	224
Month of May, 1930	264	258
10 Public Utilities		
Week of June 2	68	63
Week of May 26	71	67
Month of May, 1930	101	94

Canada Power and Paper Reorganization is Sweeping; Old Capital Reduced by Half

No Fixed Charges for Period of Five Years

ANGLO-CANADIAN OUT

Plan Covers Conversion Preferred Stocks and Debentures Into Common Shares

From Our Own Correspondent

MONTREAL.—Securities Protective Committee of Canada Power & Paper Corp. announces a plan of reorganization for that company, the principal features of which follow:

Formation of a new company;

Two classes of security to be issued—a 30-year 5½ per cent first mortgage bonds, bearing fixed interest after five years and no par value common stock;

Cutting present capitalization (bonds, debentures and preferred stock) from $103,832,266 to $52,627,596;

Replacing first mortgage bonds of subsidiary companies by a new bond, with common stock compensation for loss of interest;

Conversion of all subsidiary companies' preferred stock and Canada Power & Paper debentures into new no par value common stock;

Canada Power & Paper common stock exchanged on basis of 10 shares for one new no par value share of common stock;

Elimination of fixed charges for a period of five years;

Anglo-Canadian Pulp & Paper is not in new set-up, as new company did not care to assume guarantees;

Abolishing guarantees existing between subsidiary companies;

Providing for adequate banking accommodation and working capital.

Committee will nominate a majority of new board to serve for a period of five years.

No new money is being asked for.

It has been obvious to those who have followed the fortunes of Canada Power & Paper Co. over the past two or three years that a radical reorganization of capital structure would be necessary in order to place the company on a sound financial and competitive basis.

As a result of the absorption of various manufacturing units, the capital structure became unwieldy and the fixed charges a burden which threatened to jeopardize the whole undertaking.

Danger of Bankruptcy

The state of over-production as existing within the industry and the decline in the value of newsprint, brought the company to a point where it was in danger of being forced into bankruptcy.

Through the instrumentality of investment bankers interested in sponsoring the securities of the subsidiary companies, a Securities Protective Committee was formed early in the year to the end of working out a reorganization plan.

Two Classes of Security

The plan calls for a new company. The authorized capital of the new company will consist of $100,000,000 first mortgage bonds, including first mortgage sterling debenture stock, and of 2,000,000 shares without par value.

Of the bonds, $65,000,000 will be authorized for immediate issue as 30-year 5½ per cent bonds and sterling debenture stock which will be on an income basis for five years and will bear fixed interest thereafter.

Capitals are Compared

The issued capitalization of the new company on the carrying out of

(Continued on page 2, col. 5)

Belgo Preferred Fares Best Under Reorganization Plan

From Our Own Correspondent

MONTREAL.—In order that holders of the securities of Canada Power and Paper and subsidiary companies may determine readily the amount of bonds and common stock allocated to their respective organization under the new plan, the following compilation has been prepared by The Financial Post. It will be seen that Port Alfred gets the largest share, followed by St. Maurice, Belgo, Canada Power, Anticosti, and Wayagamack, in the order named.

The manner in which these distributions are arrived at is shown in the leading tables. The main table gives the presently outstanding capitalization of the different units and the securities offered in exchange under the plan. Further it will be noted that all preferred stocks and debentures are to be exchanged for common stock, while the holders of the bonds receive new mortgage bonds, together with common stock in lieu of interest for the next five years.

BONDHOLDERS

For Each $100 Face Value Bond Held	Receive New Bonds Face Value	New Common
Belgo-Canadian Paper Co.	$125	1
Wayagamack Pulp & Paper	125	1
Port Alfred Pulp & Paper	100	1
St. Maurice Valley Corp.	100	1
Anticosti Corp.	100	1
Canada Power & Paper Debentures (All Series)	15	1½

PREFERRED STOCK-HOLDERS

For Each $100 Face Value Preferred Stock Held	Receive New Common Stock
Belgo-Canadian Paper Co.	3
Port Alfred Pulp & Paper	1
St. Maurice Valley Paper.	1½
Anticosti Corp.	1½

COMMON STOCK-HOLDERS

For Each Share Held	Receive New Common Stock
Canada Power & Paper	1/10

DISTRIBUTION OF NEW SECURITIES

		New Securities	
	Old Security Face Value	Bonds	Common Shares
Belgo-Canadian Paper Co.—			
Bonds—6%	$ 8,240,500	$10,300,625	$ 82,405
Preferred—7% cum.	5,000,000	....	150,000
Wayagamack Pulp & Paper—			
Bonds—6%	3,527,600	4,409,500	35,276
Wayagamack News—			
Guar. Debentures—5%.	1,590,914	unchanged	
Port Alfred Pulp & Paper—			
Bonds—5%	14,999,667	14,999,667	149,996
Preferred—7% cum.	6,000,000	....	90,000
St. Maurice Valley Corp.—			
Bonds—6%	8,836,225	10,836,225	108,362
Bonds—5½%	2,000,000		
Preferred—7% cum.	10,000,000	....	150,000
Anticosti Corp.—			
Bonds—6%	5,192,500	5,192,500	51,925
Preferred—7% cum.	3,000,000	....	45,000
Canada Power & Paper—			
Laurentide Deb.—5½%	28,800,000	5,320,005	532,000
Wayagamack Deb.—5½%	6,666,700		
Common, no par value	1,521,750	....	152,175
Total	$103,832,266	$51,058,522*	$1,547,137

*Does not include Wayagamack News, $1,590,914; and Ha Ha Bay Co., $137,300. (See under "capital" in general review).

DOMINION MOTOR DEAL WITH NASH YET IN ABEYANCE

Seasonal Decline in Sales in Industry Cools Enthusiasm

The new budget, affecting as it does the duties on automobiles in the higher price range, may result in an arrangement whereby Dominion Motors (formerly Durant) plant at Leaside (Toronto) will manufacture Nash cars as well as the Durant and Rugby trucks.

For the moment, however, negotiations are suspended until the effects of the budget can be determined, both from the point of view of the protection afforded on the completed car and the possible higher cost of some parts, due to the greater protection given to parts makers in Canada.

Will Be Price Increase

There will be a slight increase in the prices of automobiles, it is expected, owing to the sales tax and, possibly, to the differences in drawbacks on parts imported for assembly in Canadian factories. This is the opinion of officials of Dominion Motors, although all of the motor companies are awaiting the official documents before determining what line of action will be necessary.

Three months ago it was announced that arrangements had been made whereby Nash cars would be manufactured in the Durant plant. The deal was held up, however, due to litigation between Durant of Canada and Durant Motors of Delaware. When the injunction proceedings were withdrawn, the Nash interests decided to wait until the budget was brought down in order to determine exactly what would be the effect on importations of automobiles.

Meanwhile, the automobile industry has reached the season of the year when sales normally show a downward trend and, in view of the business depression, there is a question if sales will improve in the later months of the year. In the circumstances, it is intimated that the Nash interests are not now so enthusiastic about making an arrangement for immediate manufacture in Canada.

Canadian Bronze Earnings Cover Dividend to Date

From Our Own Correspondent

MONTREAL.—Though continued slackness in railroad activity naturally finds a reflection in operations of Canadian Bronze Co. it is understood that the company has succeeded in earning its dividends to date. The situation surrounding the company is largely dependent on traffic conditions; any improvement in wheat movement this fall should find quick reflection in operations.

Last year Canadian Bronze succeeded in earning its common dividend by a margin of 37 cents a share. Per share earnings, after all deductions, were $2.87 as compared with the current dividend of $2.50.

During 1930, however, $125,000 of preferred stock was redeemed leaving $720,000 outstanding; dividend needs on these shares will be proportionately lower this year. The common stock is currently traded around 21 at which price it yields 11 per cent. The preferred is quoted around 108.

No Dumping of Shares By Can. Life Companies

If important corporations on this continent whose shares are held by Canadian insurance companies, are forced to pass dividends either now or in the future, there will be no dumping of insurance holdings of such shares on the market by insurance companies in this country.

Once life insurance companies purchase stocks that are legal investments under the insurance act, the fact that dividends on such stocks are subsequently passed does not mean that these stocks must be sold. There is nothing in Canadian insurance law to compel life companies to take such action.

This question has been asked The Financial Post several times of late and although the answer affects only a few stocks at the present time, is an important one in view of the fact that many savings banks in the United States are forced by law to sell holdings of shares which cease to become legal investments.

Such forced sales have had an adverse affect on the stock market in recent months, it is said.

Under Canadian law, life insurance companies may invest their funds in the purchase of preferred shares of any company which has paid regular dividends on such shares or on its common shares for not less than five years preceding the purchase of such preferred stocks, and of common shares which have paid regular dividends of at least 4 per cent or $4 per share (no par value shares) for seven years preceding the purchase of such stocks.

The fact that the passing of dividends causes shares to drop from the list of legal investments for Canadian companies, does not affect present holdings of life companies.

Already this year some 25 Canadian companies have reduced their dividend payments and over 40 companies have passed their dividend payments entirely. However, of the latter group only one or two affect shares held by Canadian life insurance companies.

Investor's Index

INDUSTRIALS, UTILITIES, ETC.
Algoma Steel . . . 15
Anglo-Nfld. . . . 13
Assoc. Breweries . 8
Anglo-Norwegian . 8
Abitibi P & P . . 9
Acme Screw . . . 9
Assoc. Canners . . 3
Beauharnois . . . 4
Bell Telephone . . 4
Bathurst Pwr. . . 13
Burns 9
Belgo-Can. Paper 1
Brant. Cordage . . 1
Canada Trust . . 4
C. P. R. 4
Comm. Alcohols . 8
Can. Converters . 15
Can. Indemnity . 17
Can. Gen. Ins. . . 9
Can. Celanese . 4, 9
Can. Airways . . 13
Can. Gen. Invest. 13
Corporate Trust . 13
Canada Steamship 9
Canada Cement . 9
Can. Dredge . . . 9
Canada Paving . . 9
Can. Dutch Oils . 9
Ont. & West Shore 9
Can. Wireb'd Box 9
Can. Pwr. & Pap. 1
Can. Bronze . . . 1
Consol. Gas . . . 5
Can. Packers . . . 3
Canada Life . . . 3
Can. Canners . . 3
Consol. Industries 8
Dom. Motor . . . 1
Dominion Glass . 3
Dom. Steel & Coal 3
Dom. Foundries . . 3
Ford 9
Farm Vehicles . . 9
Frontenac Oil . . 3
Fraser Co's. . . 9, 13
Ford 3, 9
Gypsum Lime . . 15
Gatineau Pwr. . . 4
Hayes Wheel . . . 3
Hudson's Bay Co. . 19
I. O. O. F. . . . 12
Invest. Foundation 8
Int. Hydro-Elec. . 4
J. Morrow Screw . 3
Jamaica Pub. Ser. 11
Lake o' Woods . . 4
Lord Nelson Htl. . 5
Marcus Loew's . . 13
Montreal Dairy . . 16
Montreal Pwr. . . 16
Mexico Power . . 5
Montreal Coke . . 5
N. E. Power . . . 5
Nat. Distilleries . 8
Nor. Can. Mtge. . 19
Page-Hersey . . . 1
Photo Engravers . 16
Power Corp. . . . 4
Quebec Power . . 2
Royal Templars . . 12
Rogers-Majestic . . 3
Rosedale Housing . 9
Shawinigan W & P 4
Seaman-Kent . . . 19
Stimson 12
St. Maur. Valley . 11
Sher.-Williams . . 5
United Towns . . 4
Wpg. Elec. . . 4, 13
Wabana 11
MINES AND OILS
Assoc. Oil . . . 16
Bingo Gold . . . 18
British-Dom. Oil . 19
Big Missouri . . 18
Canusa Mining . . 18
Dalco Oil 19
East Crest . . . 16
Hudson Bay . . . 11
Inter. Nickel . . . 18
Kirkland Hudson . 18
Lake Shore . . . 18
Model Oils . . . 5
Rubec Mines . . . 18
Sylvanite Gold . . 18
Sherrit-Gordon . . 11
QUOTATIONS
Bonds 14
Grain 14
Mines 18
Stocks 14
REGULAR DEPARTMENTS
Answers to Enquiries . 9
Business 7
Banking 17
Editorial 6
Insurance 17
Mining 18
Pulp and Paper . . 13
Utilities, Transportation 4
SPECIAL FEATURES
Is the C.N.R. a Success? Article Two of a Series . . 13
How to Figure Your New Income Tax . . 11

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QUEBEC POWER RATE SCHEDULE UNDER DISPUTE

City Demands Company Submit Lower Tariff

From Our Own Correspondent

MONTREAL. — Dispute between the Quebec City Council and Quebec Power Co. over the matter of rates continues. Not long ago a Quebec citizens' committee submitted a report in which it was stated that the rates charged by the company were too high in relation to that paid in other municipalities.

The matter of electric rates is a peculiarly involved one and, it is alleged, the citizens' committee did not take into account many important factors as bearing upon costs.

Aside from that point, however, Quebec Power Co. early in April submitted to officials of the city of Quebec a proposal for reduced commercial and domestic rates which would mean a saving to the city, for street lighting bill, of over $40,000 per annum. The city pays at present about $137,000 yearly for street lighting.

The company also proposed to replace all broken and burnt-out street lamps which heretofore the city had done.

Turn Down Proposal

It is understood that this proposal was not accepted by the council. Last week another offer was made to the city. Under this plan a 25 kilowatt hours per month service would cost citizens $12.60 from 1931 to 1935 and $11.34 from 1935 to 1945. The citizens' committee will undertake to offer similar service for $13.08 and $9 for the respective periods. Approximately similar margins separate the tenders submitted by both organizations for 50 kilowatt hours and 500 kilowatt hours.

The rates apply to domestic lighting only.

The offer of the company was turned down and it is reported that the city council informed Quebec Power that it would be given 15 days to meet the city's terms, and failure to do this would mean the taking over by the city of the lighting system.

Followers of this situation are of the opinion that the citizens' committee would have considerable difficulty in fulfilling a contract. It is pointed out that all the power sources for some miles from the city of Quebec have been developed. The largest single source of power is Shawinigan, which controls Quebec Power, while the company itself has several major producing units.

Franchise Holds Good

Under the terms of the franchise, it is understood that the city would have to give the company two year's notice if it wishes to discontinue the present services. On top of that the citizens' committee would have to develop its own distribution system, an undertaking of considerable size.

By the middle of this month, the whole matter will be on a more definite basis and it will then be known whether or not the city intends carrying out its present proposal.

Moisture Lack Highly Critical For 1931 Crop

From Our Own Correspondent

WINNIPEG.—Crop prospects for the West continue to be decidedly less than satisfactory. There is a general lack of moisture practically from one end of the prairie country to the other, a lack which in large areas of southern Saskatchewan and portinos of Alberta is decidedly acute. There was less than an average supply of moisture in the ground at the beginning of last winter, a condition aggravated by a mild winter and an early spring, exposing the soil surface for an unusual length of time to drying influence of sun and wind. Dust storms which, although they have previously been matched in severity, have been almost unprecedented in extent and duration, and have been both a symptom of dryness and a cause of considerable damage.

There is still time for conditions to improve to a very great extent. The West is accustomed to think of the crop as dependent for moisture on the stored up resources of the sub-soil and on the June rains. Good June rains cannot altogether make up for the lack of conserved moisture, but, if general, they can go a long way toward doing so, and especially if they come early enough.

Heavy precipitation, especially if the weather remains fairly cool, during the next few weeks, can make the production of a fair-sized crop reasonably probable. Lack of it would mean the probability of one of the lightest crops experienced for a long time.

An urgent need of rain in the central and southern districts is expressed by crop correspondents in telegraphic reports received over the week end by the statistics branch of the Saskatchewan Department of Agriculture. Moisture conditions in northern Saskatchewan are better but here also there are districts where rain would be welcome. Practically all the wheat seeding is completed and 80 to 85 per cent of the coarse grain acreage is sown.

In the central and southern districts the surface soil is generally reported very dry and loose resulting in considerable damage from soil drifting and some correspondents report that seeding of coarse grains and in some cases wheat is being withheld on this account and that no reseeding will be done until rain comes. Some severe frosts were experienced about two weeks ago since then the weather has been generally warmer and very dry with some high winds. The appearance of cutworms have been reported in some districts and some damage has been done. Pastures are getting short and bare and are badly in need of rain and in some of the southern districts water is becoming scarce. Livestock are only in fair condition as a result of short pastures.

Auburn May Shipment Set All Time Record

Shipments of 6,717 Auburn and Cord cars for May were announced by R. H. Faulkner, president of the Auburn Automobile Company. This is an increase of 714 cars over April, the all-time record month for the company.

Shipments for the first five calendar months of 1931 total 24,438, making 10,745 more cars than during the entire year of 1930.

Show Canadian Board

Canadian-made gyproc fireproof wall board, with special reference to its uses in farm homes and buildings, is being featured at the Construction Show of the Royal Ulster Agricultural Society, in Ireland, this month.

NATION'S BUSINESS

(Continued from page 1)

on paper was increased 400 per cent. The present budget wipes out a 50 per cent exemption of sales tax, with the result that the sales tax on paper will be increased 3½ per cent.

The reduction of importation of large volume of United States magazines may eventually work out to the benefit of the Canadian publisher, but the results will come in the future. For the present, and at a most critical time, the costs of the Canadian publisher have been increased.

The only sound basis on which to build up magazine publishing business in Canada is to get costs down to a basis so that an advertising rate can be struck which will be comparable to that existing on large magazines in other countries and which will enable the Canadian publisher to develop his field and meet other forms of competition.

* * *

THE higher tariff on building stones will raise construction costs and the net benefits may remain narrowly distributed. The increased tax on unlicensed insurance looks like a gesture of defiance to the provinces especially as the previous tax on these companies, which are provincially licensed, is now under dispute and is to come before the Privy Council. Changes in the steel tariff have apparently been cleverly designed to aid Canadian manufacturers without bringing the United States Steel Corporation into Canada. The window glass fiasco of last fall has been avoided by introducing a conditional duty that will not come into force until some company is prepared to make such glass here.

An important change in national policy is involved in putting household fuel behind a tariff and in increasing the import tax on industrial fuel. Such a course is a logical feature of any national fuel policy and to such a policy, designed to widen market for Canadian collieries east and west, the Prime Minister is committed. The free entry of American anthracite coal has long been a cause of Nova Scotia and Alberta discontent. Now the central provinces are to pay more dearly for their fuel to give the Atlantic and Pacific seaboard and Rocky Mountain mines their chance. Added to the freight subventions and coking subsidies already in force, these duties will make the expenses of Canadianizing our fuel supply very heavy and for a few years the results may fall short of the cost. Other tariff changes are similarly of a purely protectionist character.

* * *

WHEN business men consider the new taxes imposed they must wonder why it was necessary to add to the nuisance taxes, when governmental economies would have effected the same job of more near balancing the budget. For instance: Mr. Bennett complains that transfer of natural resources to the Western provinces has cut revenue from Dominion lands by $2,500,000. But there has been no commensurate cut in civil service personnel. The burden of old age pensions, so lightly assured in the pre-election parade of promises, is beginning to show heavily in costs of government. War pensions might be expected to rise from year to year for some years yet but the increase of $5,550,000 is largely the result of setting up an unnecessarily extravagant system that takes little consideration of actual needs. It is more than justice to our ex-soldiers but less than justice to the taxpayers. There has been and is in prospect no such slashing of expenditures such as is marking the policy of every well-managed business enterprise and should mark the activities of governments as well. An increased call upon the taxing power of the people is Mr. Bennett's substitute for economy.

* * *

MR. BENNETT'S dislike of heavy surtaxes on incomes is shared by business men generally. Recently there has been a revival of purchases of tax-exempt bonds and the reduction of the confiscatory higher levels will tend to release some of this tax-frightened capital for more productive investment. There is a slight reduction in the lower scales as well but if Mr. Bennett has in mind abolishing the income tax by gradual stages he has taken a rather peculiar method of doing it since on incomes between about $10,000 and $150,000 he has increased the schedules. The partial elimination of the double taxation feature on dividends is a step in the right direction but it should go all the way. Taxation of dividends paid to non-resident shareholders may be expected to deter somewhat the flow of foreign capital to Canada and is a somewhat retrograde step. In eliminating special taxation of family corporations, the government is probably recognizing the difficulty of dealing with this type of tax evasion. The former regulation has had some unexpected and inequitable results. With the higher tax brackets lowered and with the corporation tax raised there is less incentive to the formation of such corporations. The increase in corporation tax is just another evidence that Canada is back on a war basis of finance.

* * *

OTHER forms of increased taxation also indicate what the country must pay to maintain in times of depression a governmental service that is based upon a prosperity scale of expenditure. The increase in the sales tax was so thoroughly discounted in public expectation that it occasions little comment.

No one can be very enthusiastic about a budget that increases taxation and production costs as much as this one does. Yet admittedly the prime minister had a difficult job on his hands and no criticism is fair that does not realize the seriousness of the financial situation he faced. There is some satisfaction in knowing that the Government intends, so far as possible, to pay its expenses as it goes along, without adding huge deficits to the national debt, which might be popular with the people since it would avoid the necessity of tax increases, but that would inevitably lead to disaster.

Montreal Stock Brokers Change Name of Firm

From Our Own Correspondent

MONTREAL.—Official announcement is made of the changing of the firm name from Mathewson, McLennan & Molson to Mathewson, McLennan & Co., members of the Montreal Stock Exchange.

The partners will remain the same, namely, H. Mathewson, F. S. Mathewson, G. S. McLennan, and K. A. Handyside.

BRANT CORDAGE PRESENT YIELD 12½ PER CENT

(Continued from page 1)

petition from Dutch sources with no tariff protection whatever. This condition was largely responsible, it is understood, for the loss in the 1927 fiscal year. Some changes and improvements in manufacturing at Brantford enabled the company in the next year to show a profit. It was understood that the Dutch manufacturers, although benefitting from low labor costs, are not now a serious factor in this market.

Combine is Remote Threat

The growing use of the combine in Western Canada is a potential threat to the manufacturer of binder twine but it is believed that there would not be a sales decrease from this cause for many years. Up to two years ago there was a steady increase in acreage. A large proportion of wheat still was threshed by older methods and all coarse grains are harvested under those methods which require the use of binder twine.

The $850,000 of second preferred stock and the 80,000 shares of common stock of this company are held by the president of the company and his associates. There has been no dividend on the second preferred, although the $1.75 requirement has been earned by a wide margin in all but two years of the present company's history.

Available records of earnings of the present and its predecessor company go back to 1920. Profits have been sufficient for dividends on the 80,000 shares of first preferred issued in 1925 in all these years excepting three—1927, when there was a loss; 1928, when earnings fell short by 16 cents per share; and 1923 when profits were $73,718. In 1925, the net profits after depreciation and income taxes were $627,190.

CANADA POWER AND PAPER REORGANIZATION IS SWEEPING

(Continued from page 1)

the plan will compare as follows with the existing capitalization:

Present Capitalization, May 1, 1931
(Excluding Anglo)

*Bonds	$44,365,566
Debentures	35,466,700
Preferred	24,000,000
Total	$103,832,266

Common—1,521,750 no par value shares.

Estimated Capitalization New Company
(Excluding Anglo)

*Bonds		$51,058,522
†Wayagamack News	$1,431,774	
‡Ha, Ha, Bay Co.	137,300	1,569,074
Total		$52,627,596

Capital stock—1,547,141 no par value shares.

*In addition to the above bonds, a further $8,000,000 (approximately) of new bonds will be issued in exchange for a like amount of Laurentide Mortgage bonds now pledged as collateral to bank loans.

†Guaranteed British treasury bonds not exchanged.

‡Bonds not exchanged.

May Issue $65,000,000

The committee will have power to sanction the issue of additional first mortgage bonds of the 30-year 5½ per cent series, provided that the total is not to exceed $65,000,000, and of such additional shares as may be necessary.

Anglo Not in Picture

It will be noted that Anglo-Canadian Pulp & Paper Co. is not included in the foregoing set-up, as the committee deemed it inadvisable for the new company to assume the obligation of Canada Power & Paper under the contract for acquisition of a controlling interest in Anglo-Canadian.

What Holders Receive

Following is a brief summary of what the committee offers for each class of security.

Belgo-Canadian bondholders are to receive $125 of new first mortgages and 1 share of common for each $100 held.

Preferred shareholders of the same company will receive 3 new shares of common for each $100 of preferred stock held.

Wayagamack Pulp & Paper bondholders will receive $125 of new mortgage bonds and 1 share of common for each $100 face value of bonds held.

Port Alfred bondholders will receive $100 of new mortgage bonds and 1 share of common stock for each $100 face value of bonds held, while the preferred shareholders will receive 1½ shares of common for each $100 of stock held.

St. Maurice Valley bondholders will receive $100 of new mortgage bonds and 1 share of stock for each $100 of present bonds—either series. Sterling debenture stockholders are treated in the same way. The preferred stockholders receive 1½ shares of new common stock for each $100 of stock held.

Anticosti Corp. bondholders will receive $100 of new mortgage bonds and 1 share of stock for each $100 of present bonds. The preferred stockholders will receive 1½ shares of new common stock for share of preferred.

Canada Power & Paper debenture holders, both series, will receive $15 of new mortgage bonds and 1½ shares of stock for each $100 of debentures held.

Common stock shareholders of Canada Power & Paper will receive one share of new stock for each 10 shares held.

Basis of Distribution

As pointed out in the official communication of the committee this scale of distribution is based not only upon a careful analysis of the assets and earning power represented by each existing security, but upon such other important factors as inter-company obligations, the effect of separation upon operating costs, existing newsprint contracts and the advantage of maintaining a well-established selling organization.

Will Control Management

It is further pointed out that holders of securities who forego fixed charges for five years will expect assurance as to management and to this end the plan provides that the committee will nominate a majority of the new board of directors to serve for five years.

Provision also has been made in the plan so that the odd common shares of Belgo, Port Alfred, St. Maurice and Wayagamack, outstanding in the hands of the public, may be exchanged for new shares.

Banks Give Co-operation

The plan states definitely that the corporation's bankers, namely, the Bank of Montreal and the Royal Bank of Canada, are co-operating. The banks have expressed willingness to make banking arrangements if the plan is carried out. Further, it will be noted in the new capitalization set forth above that the banks will accept $8,000,000 of the new bonds as collateral for bank loans in exchange for the first mortgage bonds of the Laurentide Co. which they now hold.

Adoption of the new plan will undoubtedly place the organization in a strong competitive and financial position. It will be noted that the new company's bonds are really income bonds for the first five years. That is, interest need be paid only if earned, but the corporation is restricted from paying common share dividends unless bond interest on the preceding interest date has been paid and provision made for payment on the next interest date.

Greatly Strengthens Position

Without fixed charges for a period of five years, the new company is in a position adequately to meet competition. In other words, it can carry on without the necessity of making provision for large bond interest and preferred stock dividend payments, so that by the time the Hearst contract comes into operation in 2½ years time, it will be in a position to develop an adequate earning power.

It is apparent from the foregoing details on the basis of security exchanges, that the committee has worked with the thought in mind of ridding the company with its cumbersome capital and placing it on a basis where securities outstanding have adequate assets behind them, together with a presently small but potentially large earning power on the common stock.

No Balance Sheet

As no balance sheet has been issued, it is not possible to determine the valuation placed upon assets. As at Dec. 31, 1930, Canada Power & Paper had total assets of $212,974,612, which figure included Anglo-Canadian's holdings. As the face value of the securities to be exchanged has been cut in half, the new balance sheet should show a corresponding writing down of assets, or to approximately $125,000,000.

Leading Canadian Producer

Canada Power & Paper is one of the largest newsprint manufacturers in the world. Excluding Anglo-Canadian, the new company will have an annual capacity of more than 600,000 tons of newsprint, as well as a large amount of kraft, board and other paper products.

The mill properties to be acquired by the new company are located at Shawinigan Falls, Three Rivers, Port Alfred and Cap de Madeleine (near Three Rivers).

Take Over Contracts

It is also understood that the new company will acquire all of the newsprint contracts now in possession of Canada Power, including the Hearst contract, which is generally understood to cover all the newsprint requirements of the American publisher.

Personnel of Committee

The committee sponsoring the present plan of reorganization is composed of the Hon. Charles A. Dunning, chairman; R. H. Collis, of the financial firm of Kitcat and Aitken, London, Eng.; Norman J. Dawes, president of the Montreal board of trade; Strachan Johnson, K.C., of Tilley, Johnson, Thompson and Parmenter, Toronto; H. D. Lockhart Gordon, C.A., of Messrs. Clarkson, Gordon, Dilworth, Guilfoyle and Nash, Toronto; Stewart Kilpatrick, of Govett, Sons and Co., London, Eng.; E. A. Macnutt, treasurer of the Sun Life Assurance Co. of Canada; John J. Rudolf, of A. Iselin and Co., New York; Gordon W. Scott, secretary, of Messrs. P. S. Ross and Sons, Montreal; and J. L. Ralston, K.C., counsel, of Mitchell, Ralston, Kearney & Duquet, Montreal.

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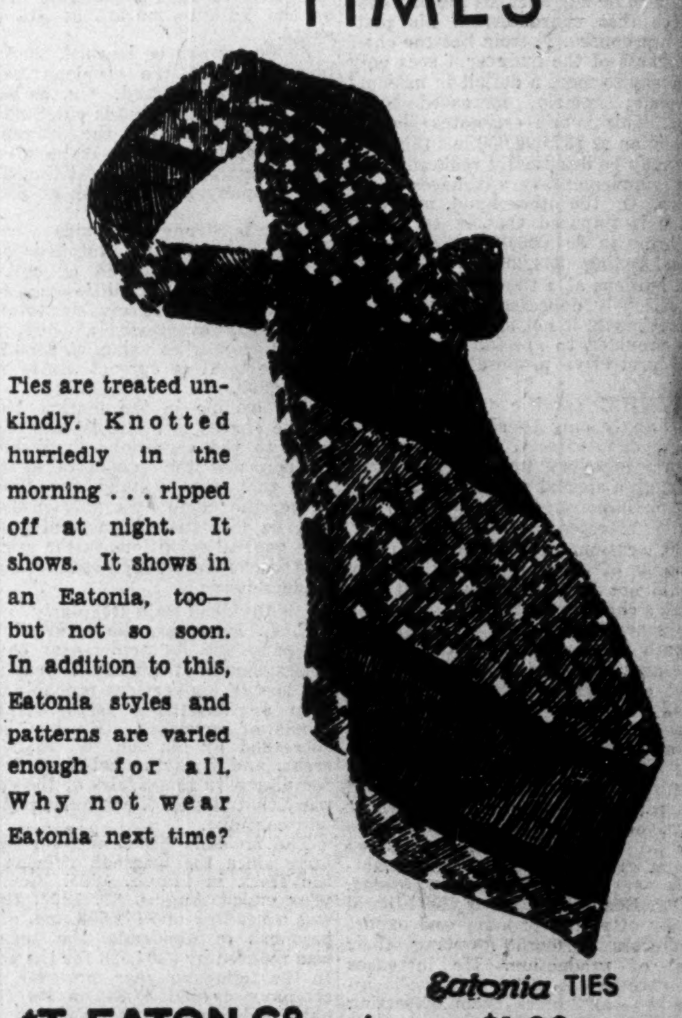

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677

STOCK MARKET IS HESITANT ABOUT BUDGET

(Continued from page 1)

rolled strip steel nor steel wire. Position of other steel companies will probably be made clear within the next few weeks.

The financial community are also awaiting the full explanation expected in the course of the budget debate on the 2 per cent tax on income of foreigners owning Canadian securities. Some fear this may have a constricting influence on values of Canadian securities through desire of United States holders to unload. The New York Stock market was, however, firm on interiisted issues on June 3 when Canadian stock exchanges were closed.

Page Hersey Tubes

The new items in the latest Bennett budget placing certain pipes and tubes on the free list and other on a 7½ per cent tariff so far as the general tariff is concerned do not affect Page Hersey Tubes, as these are odd sizes and types not made by the company.

The company on the other hand received helpful consideration in the reduction of duties on its raw material, particularly on Bessemer steel billets which will be an important factor in the new $2,000,000 seamless tube plant which has been erected near Welland. The new plant has not begun production as yet and no date for the opening has yet been set. As these seamless tubes are for the oil industry mainly, the low activity the moment in this field does not promise a very large scale of operations at the outset.

Montreal Coke & Mfg.

"There is no direct benefit to the company through changes in the tariff; the industry should benefit and, indirectly, ourselves," said John S. Norris, president of Montreal Coke & Manufacturing Co. Transportation costs are an important factor in establishing a coke market, said Mr. Norris, and Montreal Coke had little to fear from outside competition.

Dominion Steel & Coal

Despatches from Sydney express the opinion that the new coal schedules will prove of considerable benefit to the area. Some disappointment was expressed over the absence of higher tariffs on primary steel products. By others, it is stated, the duty placed on automobile parts will aid the steel industry of Nova Scotia.

C. B. McNaught, president, and H. J. Kelly, general manager, of Dominion Steel & Coal Corp. are at present in Sydney. Both are reported to be much pleased with the changed tariff they declined to issue a statement until they had had an opportunity of going into the matter more fully.

Dominion Glass

"Until we have more complete details of the changes, it will not be possible to tell how the new tariff will affect our business," said J. W. King, general manager of the Dominion Glass Co. The reference to containers, upon which a duty will be charged, does not specifically refer to glass. If glass containers are included in this category, some benefit might accrue to the company.

Labor Leader Approves

The new tariff schedules covering coal are highly gratifying, in the opinion of D. W. Morrison, president of the U. M. W. of A. district 26, Glace Bay, N.S. President Morrison has stated that the assistance afforded the coal industry by increased duties, subventions and subsidies would be of great assistance to the miners in Nova Scotia, as well as to those communities which depend upon the coal industry for an existence.

John Morrow and Acme Screw

John Morrow Nut & Screw Co., of Ingersoll, Ont., and Canadian Acme Screw & Gear, the latter a subsidiary of Russell Motor Car Co., tend to look with favor on the additional protection given the makers of parts of motor cars in Canada. Full study has not been given to all details of the budget, but the general impression gained from a first reading was favorable.

Neither of these companies is entirely dependent on the automobile business but T. A. Russell, president Russell Motor Car Co., reported at the annual meeting that Canadian Acme Screw & Gear had suffered a marked decrease in volume in 1930 because of the low level of automobile production. The tendency of the new rates to concentrate available Canadian demand in Canada is expected to be of aid in 1931.

Ford Company of Canada

Ford Co. of Canada executives had expressed no opinion as to the effect of the new tariff provisions on its fortunes in 1931 up to Wednesday noon. Automobile manufacturers in the Border Cities generally, however, felt that costs of manufacture might be increased through the changes in the drawback benefits on motor car parts.

It was admitted that the duties would probably lead to expansion of business on the part of those already established in Canada and to the creation of additional branch plants of United States concerns which hitherto had been supplying Canada from the United States plants. Two of the items removed from the drawback list, it was stated, were not procurable in Canada: chassis frames and fenders. To supply such parts Canadian makers would have to be sure of Ford and Chevrolet business in order to do business at a profit, it was stated.

It was also expected that the exclusion of United States used cars would make problems of dealing with used cars in Canada easier. The increased obstacles placed in the way of importing expensive cars, it was hoped, would deflect more important buying to Canadian cars.

Dominion Foundries & Steel

Dominion Foundries & Steel, Ltd., Hamilton, Ont., according to a statement b~ G. W. Sherman, president, anticipates making a large increase in employment.

"We announce installation of wider plate rolls to furnish a complete line of made-in-Canada plate steels," he continued.

"The Government is to be congratulated on its spread of necessary taxation and its action in developing the use of Canadian coal, as well as absorbing some freight on wheat, all of which helps to increase and keep Canada's purchasing power at home.

"The broad policy of stabilizing employment, of not increasing prices to customers and from increased volume eventually paying our Canadian shareholders a six per cent return on capital investment will be continued."

Hayes Wheels & Forgings

Hayes Wheels & Forgings is one of the most important beneficiaries of the latest Bennett budget. It is the chief company engaged in the business of supplying motor car manufacturers with such parts as wood and metal disc automobile wheels, hubs, rims, front and rear axle assemblies, motors and a general line of automobile forgings, carriage and wagon wheels, poles, shafts, buggy and automobile top bows, miscellaneous bent goods, universal joints, propellor shafts, clutches and all kinds of rubber goods as well as fabrics for automobile tops. Not alone is it expected that Hayes Wheels business will be stimulated but opening of U. S. branch plants is expected.

The change which affects Hayes Wheels & Forgings is not a change in duty but a change in drawback. Formerly a drawback of 99 per cent of the duty was allowed to importers when the imported parts were assembled in the Dominion, but now on all parts used in the manufacture of automobiles no drawback shall hereafter be paid unless at least 50 per cent of the cost of producing the finished article (not to include after September 30, 1931, duties on imported materials) has been incurred in Canada.

Canada Packers

Canada Packers and other packers, The Financial Post was informed by a well-known executive of the former company, are affected very little by the actual items dealing with the importation of live animals and meats into Canada. The Canadian packers were already well protected by the duties levied in the emergency session of September, 1930, and since that time importations have not been large enough to cause them any worry.

They are affected to an important degree, however, by the general increase in the sales tax from 1 per cent to 4 per cent. Formerly, meats were practically exempt from the sales tax and now they are taxed. It will not likely interfere with profits to any material degree as the impost will be passed on to the ultimate consumer.

Packing companies are also affected exactly to the same extent as other companies by the increase in the corporation income tax.

Canadian Canning Companies

Canadian Canners and Associated Quality Canners, whose stocks are listed on the Toronto Stock Exchange, will benefit materially from the upward revision of the tariff on canned vegetables and fruits and on jellies, jams and marmalade. These products are made in large volume by these companies.

The new duties under the general tariff show substantial increases, assuring for Canadian companies and growers considerable business that went formerly to United States canners and farmers. While imports of some vegetables, including baked beans, peas and other specialties, have been of considerable proportions, imports of canned fruits, jams, etc., have been very large.

Consolidated Industries

Consolidated Industries, formerly De Forest, Crosley Radio Corp, will benefit from the new tariff. Hammond Clock Company of Canada, a subsidiary of Consolidated Industries, manufactures electric clocks.

The old general tariff on clocks, time recorders, clock movements, clockwork mechanisms and clock cases was 30 per cent and is now 35 per cent. When imported under the intermediate or general tariff rate the duty shall not be less than 50 cents each.

Frontenac Oil Bonds Bought by McColl

From Our Own Correspondent

MONTREAL. — Since the close of the company's fiscal year on January 31 last, McColl Frontenac Oil Co. has purchased $10,100 of the first mortgage bonds of Frontenac Oil Refineries, giving it complete ownership of the issue, which amounts to $1,000,000.

This follows upon a move made by McColl-Frontenac in June, 1929, when the company offered preferred shareholders of Frontenac Oil Refineries an opportunity to exchange their stock on a share for share basis for preferred of McColl Frontenac Oil and in addition agreed to pay dividend arrears on the acquired shares. In this manner all the preferred shares of Frontenac Oil Refineries were exchanged.

DANGER EXISTS FARMERS MAY NOT GET BONUS

(Continued from page 1)

leges to prevent adverse influences on the milling industry, and there should be no attempt made to distinguish between the destination of wheat, whether for domestic use or for export, after it leaves the head of the lakes. Otherwise there would be the possibility of the price at that point being lowered so as to absorb part of the subvention.

Competing export countries with which Canada has recently been in conference over the wheat situation may feel that coming immediately upon the heels of the London conference there is an attempt in this action by Canada to steal a march on them in the export market. Should the Canadian example be followed to any large extent the result would be largely to shift the benefit of export bonuses to the consumer in the way of lower prices. Perhaps a greater danger is that importing countries, which have been maintaining high tariffs against wheat, and where some inclination has recently been apparent to reduce duties, will be slower to take such action than they otherwise would have been or that compensating dumping duties may be actually imposed.

Failure of Intervention

Attempts to interfere with the ordinary processes of marketing, no matter how well meant, can have effects quite the contrary to those intended and can hurt producers more than they help. If the proposal now made as a temporary measure were suggested as a permanent one it would be recognized as unsound in principle and unlikely to attain its object. If made in another country we should be doubtful of its effects.

As a matter of fact the emergency freight rate reduction made in the United States in 1929 in the hope of getting wheat marketed more quickly actually depressed prices to farmers instead of increasing them. It is not impossible that the object now aimed at of giving farmers five cents a bushel more for their wheat at the expense of the Government during the course of a year may really be attained, but it also seemed possible in February of last year for the well meant guarantees of the provincial governments to the wheat pool to turn out well instead of having such unfortunate results as followed.

Western Farmer Will Welcome Lower Freight

From Our Own Correspondent

J. A. Caulder, president and managing director of Dairy Corp. of Canada, returns from a visit to all sections of every province in Western Canada where subsidiaries are operating with a feeling that Western farmers will welcome with open arms the decision of the Dominion Government to absorb five cents per bushel of the freight rate on all export wheat as a means to aiding the farmers.

"The decision to absorb five cents a bushel of the freight is tantamount to an undertaking of the Government to pay 40 per cent of the freight cost to Fort William. From Moose Jaw to Fort William, for instance, the freight rate is 11.20 cents a bushel so that a five cents reduction would be more than a 40 per cent saving in this expense for the farmer. Naturally it will be a tremendous thing for the farmer. Suppose that the average production of the farmer in Saskatchewan were 5,000 bushels; he would get on such production $250 of an advantage he would not otherwise have had. And I can tell you that $250 will go a long way with the average Western farmer.

"It comes at a time when some encouragement is greatly needed. Drought conditions and dust storms in Southern Saskatchewan, and particularly around Regina, have been very bad. It is true that only about two per cent of the farmers have applied for seed-grain relief and that a number of farmers are still living on accumulated savings of former years, but the price of wheat and present weather conditions are naturally very discouraging. Quite a number would leave if there were any better place to go to under present conditions. They have not asked for seed grain relief because most of them have been able to get cheap grain for seed from neighbors. There is no lack of wheat for that or any other purpose at present.

"In Manitoba and Alberta sentiment is more cheerful, especially in Northern Alberta. They have had sufficient moisture to make them optimistic about crops. Southern Saskatchewan, however, is still without moisture of consequence.

"Although prices are low farmers are now milking their cows in all parts of the West, the low prices of grain and the protection against New Zealand and Australian butter helping in this direction."

Smelters Buy Pacific Coast Storage Plant

Advice from Vancouver states Consolidated Mining & Smelting Co. has purchased controlling interest in the Pacific Terminals Ltd.

Pacific Terminals has a $2,000,000 plant including a storage warehouse, dock and railway terminal, located at New Westminster. While Smelter officials have not announced the new acquisition it seems logical as it is already shipping fertilizer from its new plant at Trail to the Orient, and storage facilities will be required.

Pacific Terminals was organized about three years ago, and it is reported a shareholders meeting will be held about the middle of June to formally consummate the deal.

UNFAIR PRACTICES CHARGED TO BANKS BY BOND DEALERS

(Continued from page 1)

publication of full details regarding the recent conversion loan both the banks and bond houses were active in lining up investors who might give them their business. It was a period of hectic activity, of keen competition, which was ended only when the period allowed for conversion expired. For the work in facilitating the exchange, the banks and bond houses received some $3,000,000 in commissions. Split up among the thousands who were engaged in the work the average return was relatively small, especially so to investment houses and the banks who had fairly heavy expenses for advertising, and other items.

Investment bankers allege that the banks, through confidential information in the hands of their managers, were enabled to secure more than their share of the business and furthermore, that a number of individual managers held few scruples as to the methods of obtaining business for their branch. It is also held that these unfair practices have taken place in the past and must be expected in the future so long as the banks are actively engaged in selling bonds unless definite action is taken by the head offices. One or two of the banks, it is stated, have instructed their managers not to attempt to interfere between bond house and client.

In the refunding of the war loans, the chartered banks and the investment bankers received a gross commission of one-half of 1 per cent for the conversion of the bonds maturing in 1932, 1933 and 1934. If the holder of one of these bonds had taken his bond direct to either a branch of one of the banks or to an investment banking house the bank or the investment house would have received the full commission. If an agent effected the conversion the agent would receive one-quarter of a point and the investment house he represented would have received the remaining quarter. If the agent had a chartered bank forward the application to the investment house the latter two would each have received one-eighth of a point on the transaction.

Many Cases Reported

What are stated by bond houses to be flagrant breaches in ethics on the part of branch managers of the banks and similar to cases quoted by a number of different investment houses are the following:

The agent, having secured the investor's approval to an exchange of his 1934's for the new bonds fills out the necessary application form on which is printed the name of the investment firm which the agent represents. The investor takes this form, filled out in proper order and attached to his old bond, to his banker, who, in the usual course of events, would have forwarded the bond to the Receiver General and a duplicate copy of the application to the investment houses. For this service the bank would have received one-eighth of a point, the investment house an eighth and the agent a quarter. But, with or without the investor's knowledge or consent, numerous cases are reported where managers have destroyed the original application form and have made out the application on one of their own. The difference to the branch is naturally an increase in commission from one-eighth to one-half a point.

Another type of transaction is reported from several sources. The investor, having filled out an agent's form, has taken his bonds and the application to a bank manager only to be met with a refusal to forward the bonds to the Receiver-General unless the transaction is put through on the application form of the bank. In the cases of this type which have been reported the blocks of bonds to be converted have been in excess of $10,000. The transaction was a matter of simple routine and the refusal of the bank manager to provide the services of the bank appear to have been made out of spite. In several cases the investor refused to be bullied into giving the bank the credit for the deal and at considerable effort delivered the bonds personally to the investment banker.

Indirectly Responsible

Such practices as are quoted above would scarcely be condoned by the head office of the bank by which the manager was employed, but it is regarded as possible that in many cases the action taken by head office was indirectly responsible. Certain of the banks advised their managers not to compete unfairly with other institutions or with individuals in securing the conversion of the old bonds for the new. On the other hand letters were sent out by practically all of the banks urging their managers to make the most of the opportunity afforded by the conversion and secure as much profit for their branches as possible. Spurred by head office to make additional profits, the evidence (according to bond dealers) points to the fact that a number of managers over-stepped the bounds of business ethics.

Many bank managers toured their districts after banking hours and solicited the business of bondholders. Knowledge obtained in the normal course of the banking day afforded managers an important advantage in securing business. Such competition is of course of a different type from such practices as are mentioned above.

Competition Increases

With regard to the encroachment of the banks in the field of investment banking, through the underwriting and sale of government and municipal debentures there is room for difference of opinion. Should a chartered bank enter the province of the investment banker and underwrite and distribute government bonds? Municipal bonds? Public utility and industrial bonds? If a line of demarcation is to be drawn, where should it be drawn?

The banks have been active participants in the underwriting of Dominion guaranteed and provincial bonds, usually as a member of a syndicate including several investment firms. Of late, the banks have actively bid, on their own account, for well-regarded municipal issues. The banks have not underwritten public utility or industrial bond issues as yet but this is common practice of the investment affiliates of banks in the United States.

While it is extremely unlikely and indeed almost impossible that the banks should acquire even a major portion of the business in Canadian high-grade bonds, the trend in that direction is becoming more noticeable and is made more acute by the fact that the investment banker must depend upon government and municipal issues to earn his operating expenses at the present time due to the virtual absence of a market for new underwritings of industrial and public utility bonds.

Bankers Side Of It

Bankers hold the opinion that the sale of high-grade bonds is a natural function of the banks for which there is ample precedent. While the activities of the Canadian banks in the business really date from the flotation of Dominion loans during the war years, a certain amount of bond business has always been transacted for the service of clients. With a wide-spread system of branches across Canada it is held that the investment service afforded by the banks is given in many places where reputable bond houses are seldom represented due to lack of business to be obtained. They state the bank manager is less prejudiced than would be the representative of an underwriting house and through his contact with sources of investment information, he is able to give an efficent service to clients that is based on their actual needs.

Editor's Note.—The question as to whether the chartered bank can fairly enter into competition with clients whose sole business is the underwriting and distributing of securities brings forth many interesting and pertinent views. The Financial Post will be glad to present to the viewpoint of any bond dealer, banker or investor. While those who write should sign their names, these names will not be used without express permission.

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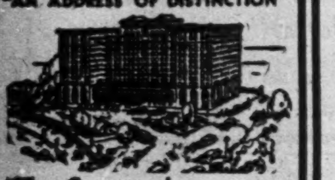

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Utilities and Transportation

CANADIAN PACIFIC SHOW NET PROFIT ON UPWARD SCALE

April Returns Still Below 1930 Mark, But Trend Better

From Our Own Correspondent

MONTREAL. — Net earnings of the Canadian Pacific Railway Co. declined only $123,924 during April last as compared with the same month in 1930, although gross earnings showed a reduction of $2,295,821.

The company reports gross earnings for the month of $12,006,288, compared to $14,302,109 in April of last year, a reduction of $2,295,821. Expenses totalled $10,398,411, a reduction of $2,171,896, leaving net at $1,607,876, against $1,731,801, a decrease of $123,924. For the preceding month the decline from the corresponding month of 1930 was $619,541.

Gross earnings for the four months ended April last was $45,980,615 against $54,196,305, a decrease of $8,215,690. Expenses in the same period were cut from $48,623,321 in 1930 to $41,474,863 in 1931, a decline of $7,148,458. Accordingly net for the four months was $4,505,751, a decline from the like period of 1930 of $1,067,232.

Economies Are Effected

Every effort is being made by the company to effect operating economies and to this end salaries have been reduced 10 per cent, operating schedules reduced, competitive runs eliminated, and a close supervision kept on all expenditures.

The latest move toward greater economy is the cancellation of the Trans-Canada train which provides a fast summer service between Montreal, Toronto and Vancouver. The Mountaineer, running between Chicago and the Pacific Coast, will, however, follow its customary summer schedule. The Imperial and the Dominion will continue to operate from Montreal and Toronto, respectively, to Vancouver, as heretofore.

Explaining the company's decision on the Trans-Canada, Grant Hall, vice-president, indicated that the move was an important one and had only been decided after prolonged and careful study. It was pointed out that an efficient service is now being provided by the Imperial during the twelve months of the year and further duplication of a transcontinental service is unnecessary at this time.

'Peg Electric Policies Not Affected by Insull

From Our Own Correspondent

MONTREAL. — Insull interests' purchases of Winnipeg Electric Co. shares are comparatively small and certainly not large enough to affect the policies of the company, according to Martin J. Insull, who recently visited Winnipeg. The Insull group secured a block of what is thought to be less than 10 per cent of Winnipeg Electric stock early this year through their Canadian subsidiary, Middle West Utilities Co., of Chicago.

Mr. Insull's visit to Winnipeg was for the purpose of inspecting power plants of Winnipeg Electric Co. on the Winnipeg River. The two developments are at Great Falls and Seven Sisters Falls. The former plant generates 168,000 horsepower and the latter project, presently under construction for Northwestern Power Co., a subsidiary, will produce 225,000 horsepower on completion.

J. A. MacPhail, of Sault Ste. Marie, and Foster Hannaford, of Chicago, are the Insull directors on the Winnipeg Electric board.

Public Utility Earnings

Canadian Pacific Railway

	1931	1930	Decrease
April—	$	$	$
Gross earn.	12,006,288	14,302,109	2,295,821
Expenses	10,398,412	12,570,308	2,171,896
Net earn.	1,607,876	1,731,801	123,924
4 Mos. ended Apr. 30:			
Gross earn.	45,980,615	54,196,306	8,215,690
Net earn.	4,505,752	5,572,985	1,067,232

Canadian National Railways

	1931	1930	Decrease
April—	$	$	$
Gross rev.	15,233,779	18,310,024	3,076,245
Oper. exp.	14,338,889	16,119,330	1,780,441
Net rev.	894,889	2,190,694	1,295,803
4 Mos. end. Apr. 30:			
Gross rev.	57,434,769	71,491,757	14,056,988
Oper. exp.	56,441,417	64,651,845	8,210,428
Net rev.	993,351	6,839,910	5,846,559

Mexico Tramways, Light & Power Group

April	1931	1930	Decr.
Mexico Tramways & Subsidiaries:	Pesos	Pesos	Pesos
Gross earn.	774,360	833,150	58,790
Oper. & deprec. exp.	843,110	896,510	53,400
Net earnings	*68,750	*63,360	5,390
Aggre. gross from Jan. 1	3,043,590	3,324,610	281,020
Aggre. net from Jan. 1	*394,120	*208,730	185,390
Mexican Light & Pwr. & Subsids.:	**		
Gross earn.	1,972,220	1,841,230	†130,990
Oper. & deprec. exp.	1,127,030	959,790	†167,240
Net earnings	845,190	881,440	36,250
Aggre. gross from Jan. 1	8,253,430	7,696,544	†556,886
Aggre. net from Jan. 1	3,910,210	3,905,110	† 5,100

*Deficit.
**These figures include the earnings of the Toluca Co.
†Increase.

Jamaica Public Service

	1931	1930
April—	$	$
Gross earn.	68,968	70,757
Net earn.	28,572	28,789
Surplus after chgs.	19,171	22,767
12 Mos. ending Apr. 30:		
Gross earn.	845,749	798,581
Net earn.	354,638	324,147
Surplus after chgs.	245,330	249,499

Power Corp. Group Record Output Gain

From Our Own Correspondent

MONTREAL. — Companies comprising the Power Corp. group reported an increase of 5 per cent in power output for April last as compared with the same month a year ago. Examination of the individual returns show that increases were recorded by Canada Northern, East Kootenay, B. C. Power, Northern B. C. Power and Manitoba Power, while Southern Canada and Winnipeg Electric had decreases. Further particulars follow, output being given in kilowatt hours:

April:	1931	1930
South. Can.	14,743,010	16,440,023
Can. Northern	34,211,970	29,233,300
East Kootenay	6,464,800	6,263,500
B. C. Power	37,894,607	34,364,200
North. B. C.	692,150	664,659
Wpg. Electric	14,810,500	14,943,500
Man. Power	34,992,000	34,981,000
	143,809,037	136,890,182

INTERNAT. HYDRO CURRENT PROFITS $3.61 ON CLASS A

Water Conditions in States Retard Growth of Earnings

From Our Own Correspondent

MONTREAL.—For the year ended March 31 last, International Hydro-Electric System, a division of International Paper and Power Co. reports balance of earnings before dividends on Class "A" stock amounted to $3.61 a share on the average number of shares outstanding during the period.

Earnings of Canadian Hydro-Electric Corp., the principal Canadian subsidiary, are showing consistent improvement over a year ago, due to increased contract deliveries. On the other hand, in the territories served by New England Power Association, business conditions were considerably below normal during the first quarter of 1931 and this situation was accentuated by poor winter water conditions.

Beginning in February, industrial conditions in New England have been showing gradual but steady improvement and since the spring showers, water conditions have been good. For April, preliminary figures of the system as a whole indicate earnings approximately the same as for April a year ago.

Gross Income Higher

Consolidated gross revenue for the first quarter of this year was $12,999,275, compared with $12,938,561 in corresponding period last year. After all prior charges, including depreciation, interest, dividends and amounts applicable to minority stock of subsidiaries, and dividends on the preferred stock of the system, consolidated earnings in the first quarter of this year available for dividends on the Class "A" stock of the system were $604,384, compared with $1,107,077 in the first quarter of last year.

Full particulars of the quarterly income account, together with comparative figures for last year, follow:

Quarter Ending March 31

	1931	1930
Gross revenue:	$	$
Operations	12,224,327	12,054,158
Other income	774,947	884,402
Total revenue	12,999,274	12,938,560
Less: Oper. exp. & tax.	4,707,320	4,646,152
Maintenance	747,075	851,399
Net revenue	7,544,879	7,431,009
Less: Depreciation	1,143,707	991,028
Int. on debt & other interest	3,208,134	2,930,878
Amort. of discount	213,307	157,172
Res. for inc. taxes	386,495	310,155
Divds. on pfd. & class "A" stocks of subs.	1,558,154	1,546,459
Min. int. in earn. of subs.	306,748	388,241
Balance added to surp.	729,335	1,107,077
Surplus—Beginning	18,097,948	13,338,449
	18,827,283	14,445,526
Less: Divs. Inter. Hydro-Electric System:		
Pfd. stk. & int. on interim certificates	124,951	......
Class A stk. divds.	415,138	386,987
Surplus	18,287,194	14,058,539

Yearly Returns Lower

In the twelve months ended March 31, consolidated gross revenue was $50,458,540, compared with $48,328,520 in the preceding twelve months' period.

Consolidated earnings in the twelve months ended March last, available for dividends on the Class "A" stocks of the system, were $2,920,651, as against $2,924,618 in the preceding year.

Income account for the twelve months period follows:

Year Ending March 31

	1931	1930
Gross revenue:	$	$
Operations	46,584,649	45,356,883
Other income	3,873,890	2,971,682
Total revenue	50,458,539	48,328,520
Less: Oper. exp. & tax.	18,737,465	18,689,133
Maintenance	3,207,116	3,436,262
Net revenue	28,513,958	26,203,125
Less: Depreciation	4,122,247	3,532,987
Int. on debt & other interest	12,228,174	10,810,477
Amort. of discount	736,557	529,141
Res. for inc. taxes	655,851	771,890
Divds on pfd. & class "A" stocks of subs.	6,221,758	6,109,017
Min. int. in earn. of subs.	1,136,418	1,504,996
Balance added to surp.	3,412,953	2,944,617
Surplus—Beginning	14,058,639	......
Surplus—Paid in	124,173	12,360,000
Add: Inc. in surp.*	2,806,788	238
	20,402,453	15,304,856
Less: Divs. Inter. Hydro-Electric System:		
Pfd. stk. & int. on interim certificates	492,302	......
Class A stk. divds.	1,622,957	1,246,317
Surplus	18,287,194	14,058,539

*Arising from acquisition of subsidiary at less than the par value thereof, and minor surplus adjustments.

Canada Northern Power Reports Gain During April

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp. reports a gain of $21,732 in net earnings during April compared to the same month a year ago. Gross income for the month totalled $273,981 and operating expenses $83,757, leaving a balance of $190,224. In April last year gross returns amounted to $252,919 and expenses $84,428, providing a net income of $168,491.

For the four months ended April, 1931, gross revenue aggregated $1,111,689 and expenses $342,165, leaving net earnings of $769,524. For the corresponding period of 1930, gross totalled $1,070,867 and expenses $328,250, making net earnings $742,617, or $26,907 lower than that reported for this year.

CANAD. NATIONAL EARNINGS TREND MORE FAVORABLE

Figures For Initial Four Months Under Last Year's Mark

From Our Own Correspondent

MONTREAL.—Gross revenues of the Canadian National Railways for April last were $15,233,779, a decrease of $3,076,245 compared with the corresponding month of 1930. Operating expenses totalled $14,338,889, a reduction of $1,780,441, compared with April, 1930. Net revenue during the month was $894,889, a decrease of $1,295,803 from the same month a year ago. March net was $780,939, or an increase for April, 1931, of $113,950.

For the four months ending April 30 gross revenues were $57,434,769, a decrease of $14,056,988 from the figures for the corresponding period last year. During the 1931 period, working expenses were reduced by $8,210,428 to a total of $56,441,417 for the four months, and net revenue was $993,351, a decrease of $5,846,559 as against the figures for the same period of 1930.

Cut Operating Expenses

Like other railway systems on the continent, the Canadian National Railways made every effort to reduce its operating expenses. Economies already put in effect are estimated to effect a saving of approximately $5,000,000 a year. Reductions in various train services, which have been made throughout the system, are responsible for the chief item among the savings listed, it is stated, and by reducing train operation without unduly impairing service to the different communities served by Canadian National lines, the company has been able to effect savings which will amount to more than $3,000,000 in the course of the year's operation.

The curtailment of train service, involving a total of some 3,250,000 passenger train miles per year, is stated to be probably the most drastic reduction which has been made by any railway.

Coincident with the saving of train miles operated are savings in sleeping and dining car operations which amount to an important figure in the year's economy, while important economies in the traffic and advertising department and in personnel activities also have contributed largely to the savings effected over the period since drastic revenue curtailments began to be effective.

Important economies have been made by the abolition of certain higher positions brought about by the recent retirement or transfer of the officers formerly holding these posts. The positions of two assistants to the president have been abolished with the transfer of their incumbents and in the case of a vice-president who recently retired, the position is abolished with his retirement and the department's activities, which were under his charge are divided among other departments.

Less Colonization Work

Activities in the Department of Colonization and Natural Resources are naturally affected by world conditions, in the latter case, and by stringent immigration laws in the former instance.

Because of the fact that the movement of immigrants is considerably restricted at present, the overseas as well as the Canadian activities of the Colonization Department have been diminished with a consequent saving of many thousands of dollars for the company over the year.

In addition to effecting emergency economies in many ways, the management of the National System, it is stated, are making vigorous attempts to meet the inroads on revenue made by other forms of transportation services, for instances, motor buses and private automobiles. As an attempt to stimulate passenger train traffic, the railroad joined with other carriers in Canada in establishing as an experiment cheap week-end fares between points in the Dominion.

Canadian Celanese Call Meeting to Ratify By-laws

From Our Own Correspondent

MONTREAL.—Shareholders of Canadian Celanese Ltd. have received notice of a special general meeting to be held in Montreal on July 2 for the purpose of passing a resolution authorizing directors to apply for letters patent to permit of payment of preferred dividends quarterly instead of semi-annually as at present; to confirm a by-law that three or more shareholders personally present and representing at least 20 per cent in number of the outstanding voting shares shall constitute a quorum for an annual or special general meeting; to provide for the closing of the transfer books for a period not exceeding 40 days preceding the date of any meeting, and to make valid the reproduction of the signature of the president or vice-president on stock certificates of the company.

Short Appointed Officer Lake of Woods Milling

From Our Own Correspondent

MONTREAL.—Charles H. G. Short has been appointed assistant general manager of Lake of the Woods Milling Co. and will have his headquarters in Montreal. This follows appointment of N. J. Breen as general manager with headquarters in Winnipeg.

Mr. Short is a well-known figure in the Canadian milling industry. He was formerly manager of the Dominion Flour Mills Co. before becoming president of the Canadian National Millers' Association.

Shawinigan Cash Position Sounder

From Our Own Correspondent

MONTREAL. — Income of Shawinigan Water & Power Co. has fallen off this year as compared with the same period of 1930, as has been common with practically all companies, according to J. E. Aldred, president. Expectations are that some improvement will take place during the balance of the year.

The company's policy in the past has been to build up strong reserves, which now total over $10,000,000. Mr. Aldred also is authority for the statement that the company's cash position was stronger now than for many years past, with cash and available funds in excess of $10,000,000. So far as future requirements are concerned, the company holds in its treasury, taken down to expenditures already made, bonds in amount to around $12,500,000 available.

SPECIAL BOARD TO INVESTIGATE POWER CHARGES

Beauharnois Comes Under Attack of Progressive Leader

From Our Own Correspondent

MONTREAL. — Charges laid by Robert Gardiner, Progressive leader in the House of Commons, have led to steps being taken by the Dominion Government toward the appointment of a special enquiry board to delve into and prove or disprove the various accusations.

Considerable uncertainty exists as to the scope of the proposed investigation. It is said that legal limitations will confine the board's enquiry to two principal points—whether or not the company has exceeded the authority under the Order-in-Council permitting the work and whether or not it was over-capitalized. The first phase comes under the Navigable Waters Protection Act and the second under the Dominion Companies Act.

Base of Complaint

In his complaint Robert Gardiner laid considerable stress upon the profits made by the promoters. As no public money is involved in the enterprise, it is hardly considered that this will be a feature of the proposed enquiry though the powers of the board along this line will be laid down later.

In this same connection Leslie Bell, M.P., has suggested that the present airing of the Beauharnois question in parliament arises from a refusal to divide profits with other claimants. The Cantin, Ecrement and Regan interests, fighting Beauharnois, are stated to have threatened to have the whole matter investigated by parliament unless they were paid amounts ranging from one to five million dollars. The relevancy of this matter will have to be considered by the Government when defining the powers of the committee.

Another complaint made by Mr. Gardiner is that the company's canal is larger than was sanctioned by the Order-in-Council. Mr. Bennett is reported as having stated that an engineer's report shows the canal to be wider than permitted under government authority.

Legal Rights Raised

Apart from any allegation of plans being exceeded, Mr. Gardiner raised the question of the company's legal rights to what it possesses, but the committee to be composed largely of laymen will hardly go into this phase.

It is thought that little attention will be paid to the company's legal right to develop half a million horsepower. The legal question is regarded as a matter for the courts, the findings of which might have an important bearing upon the further diversion of water from the St. Lawrence through the company's canal.

Limit Board's Powers

There does not appear to be any question of invalidating the powers of the company as at present. The enquiry will most likely confine its attentions to investigating the manner in which the company has made use of the rights accorded it under the Order-in-Council and, maybe, to the financial set-up of the company and its subsidiaries.

United Towns Electric Secures Site at Wabana

From Our Own Correspondent

MONTREAL. — United Towns Electric Co. has secured a site for the central substation and telephone exchange which it is proposed to erect at Wabana. This follows the programme recently announced for expansion on Bell Island.

The company secured control of Wabana Light and Power Co. a short time ago and laid plans for erection of a joint substation and telephone exchange at the mines whereby the control system for all sections of the Island will be centralized.

Vancouver Building Activity

Greater activity in building construction in Vancouver during the first four months of this year is evidenced by an increase of $1,149,603 in the value of building permits issued which for the four months period ending April 30, 1930, totalled $6,609,156.

Bell Telephone Shares Yield Over 6 per cent

From Our Own Correspondent

MONTREAL.—A sharp break in Bell Telephone of Canada stock last week brought share values to a level where the 8 per cent dividend gives a return of over 6 per cent. The stock sold as high as 151 during the current year while the recent low mark was 127.

It is several years since the company's shares touched a mark as low as this; the price appears to be a reflection of forced liquidation and sympathetic weakness following a decline in the stock of American Telephone & Telegraph Co.

Earnings Down to Date

Net earnings of Bell Telephone during the current year have fallen below last year's levels. Though toll revenue has been fairly well maintained the drop has been felt in revenue from leased lines, comprising financial and brokerage houses.

Last year the company did not fully earn its dividend, profits being equal to $7.26 a share as against dividends of $8. Payment left a deficit for the year of $264,744. The balance sheet showed a surplus at the end of 1930 of $6,090,807.

Heavy Carrying Charges

The decline in earnings both last year and this year, however, is due in a large measure to carrying charges growing from expenditures made on plant additions in recent years. Gross earnings have increased to some extent but have not shown the volume which was estimated from the expansion undertaken. Consequently net earnings have suffered.

GATINEAU POWER CURRENT REVENUE ON LARGER SCALE

Earnings During Initial Quarter of 1931 Show Good Gain

From Our Own Correspondent

MONTREAL. — Gatineau Power Co., principal operating subsidiary of Canadian Hydro-Electric Corp., reports current revenue on a better basis than a year ago.

According to an official statement gross revenues from all sources for the first quarter of 1931 amounted to $1,954,417, up from $1,857,810 for the corresponding period last year.

After taking care of bond and debenture interests and a larger write-off for depreciation, the balance carried forward to surplus during the quarter was $319,620, or roughly $50,000 more than in the initial three months of 1930.

Larger Surplus Forward

Full particulars of the income account for the first quarter of 1931 with comparative figures for 1930 follow:

First Three Months	1931	1930
*Gross rev.	$1,954,417	$1,857,810
†Net	1,736,202	1,638,470
Int. on bonds	780,525	784,269
Balance	955,677	854,201
Int. on deb.	284,198	288,487
Other int.	172,829	162,396
Deprec.	179,030	134,278
Bal. to surp.	319,620	269,040

*Including other income.
†Before int. and depreciation.

Year's Figures Better

Net earnings of Gatineau Power for the twelve months ended March 31, 1931, amounted to $6,916,633, compared to $5,635,987 in the preceding year. Such net earnings for the year just ended were over two and two-tenths times the interest accrued on the first mortgage 5 per cent bonds. After deducting first mortgage bond interest, the balance of earnings amounted to $3,784,550, which was over three times the interest requirements on outstanding 6 per cent debentures.

Comparative consolidated statements are as follows:

12 Months to March 31	1931	1930
*Gross rev.	$7,887,822	$6,481,937
†Net	6,916,633	5,635,987
Bond int.	3,132,083	2,782,531
Balance	3,784,550	2,862,456
Deb. int.	1,144,715	1,161,276
Other int.	579,090	559,163
Deprec.	667,483	443,555
Bal. to surp.	1,393,262	688,462

*Including other income.
†Before int. and depreciation.

Increase Power Deliveries

On October 1, 1930, deliveries of power under contracts with the Ontario Hydro-Electric Commission increased from 182,000 horsepower to 288,000 horsepower and will be further increased next October so that continuing improvement over last year's figures may be anticipated throughout 1931.

Canada Trust Office Opened in Montreal

From Our Own Correspondent

MONTREAL.—Canada Trust Co., subsidiary of Huron & Erie Mortgage Corp., has opened a branch office in Montreal under the managership of Herman Heine. The company now operates branches in six provinces, the new office will enable it to keep a closer supervision over its mortgage business in Montreal.

M. J. McCrory and Co., which has been identified with the Canada Trust Co. as inspectors for Montreal and district, will continue the connection in a similar capacity.

Public Utility Earnings

CANADA NORTHERN POWER

April:	1931	1930
	$	$
Gross earn.	273,981	252,919
Oper. exp.	83,757	84,428
Net earnings	190,224	168,491
Four Mos. End. April 30:		
Gross earn.	1,111,689	1,070,867
Oper. exp.	342,165	328,250
Net earn.	769,524	742,617

High-Grade Bonds in Demand

The Dominion of Canada Conversion Loan, recently completed with outstanding success, has proven the strength of the current demand for high-grade bonds. This refunding, arranged without the aid of new money, has resulted in an increased demand for the existing market supply of high-grade bonds.

Our June Bond List offers a wide selection of sound bonds. Copy will be gladly furnished on request.

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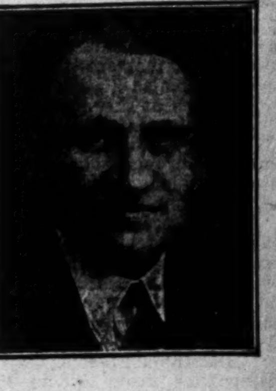

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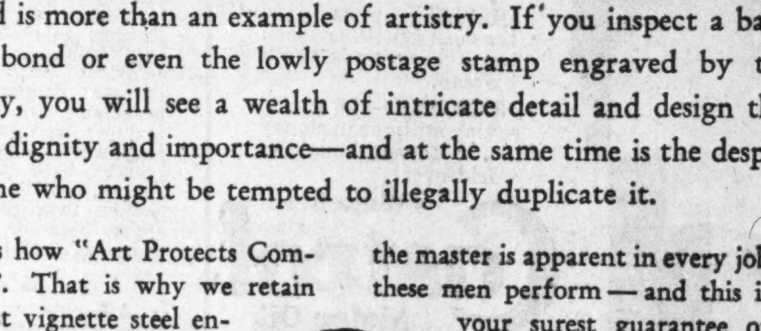

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We have prepared an Analysis of
Gatineau Power Co.
5% First Mortgage Bonds, due June 1, 1956, and 6% Debentures, due April 1 and June 15, 1941
Copy mailed on request

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News of Investment Markets

LOWER REVENUE, ADDED SERVICES CAUSE DEFICIT

National Financial Statement Reflects World Business Conditions

The national financial statement, as presented by the Hon. R. B. Bennett during the current week, exhibits many points in common with the financial statement of individual corporations which have also been hard hit by the current business depression. A deficit of $75,244,873 for the fiscal year ended March 31, 1931, compares with a surplus of $44,507,000 in the previous year and a surplus of $71,345,528 in 1929. The deficit results from shrinkage of revenue from almost every source together with increased expenditures which have been necessitated.

Of the consolidated fund receipts, 83 per cent was derived from taxation, the major portion being from ad valorem assessments on the monetary value of business transacted. Serious fall in commodity prices and lesser volume of trade has heretofore affected the national income. The only source of revenue to be sustained as compared with previous years was the income tax which was based on earnings and profits of the calendar year 1929. There was little advantage to be gained from lower commodity prices in connection with expenditures since a large portion of national payments are on uncontrollable items such as interest on national debt amounting to $121,290,000, pensions, and other uncontrollable expenditures totalling $36,895,000.

Revenues Decline

Revenues from all sources in the year 1930-31 totalled $356,215,000 as compared with $446,182,000 in the previous year. Special revenue was the only item to show an increase and this was due to increased payments on account of reparations. The comparison of revenues of the past two years is as follows:

	1929-30 $	1930-31 $
Receipts from taxation	378,551,000	296,276,000
Non-tax rev.	62,860,000	53,317,000
Consolidated fund:		
Receipts	441,411,000	349,593,000
Special rec'pts	4,771,000	6,622,000
Grand total:		
Revenues	446,182,000	356,215,000

Ordinary expenditures increased to $393,992,000 from $357,780,000 due to increased expenditures of all government departments except those of marine and the interior. There were substantial increases for public service and among the most important items to show increases were:

Subsidies to provinces	$4,900,000
Dept. of Indian Affairs	700,000
Old age pensions	4,100,000
Lighthouse and coastal serv.	500,000
Air services	1,225,000
War pensions	5,550,000
Treatment and care of veterans	1,280,000
Post office	1,265,000
Public works	6,640,000
Maritime freight rates act	2,925,000
Dept. of Trade and Commerce	1,690,000
Unemployment relief	4,432,000

Non-interest bearing loans amounted to $5,488,000 during the year as compared with $8,262,000 in 1929-30. Included in the total is $1,827,000 to Canadian National Steamships and $3,491,000 to the Quebec Harbor Commission. Between January, 1921 and May, 1930, the Government advanced $33,000,000 to the Canadian National Railways of which $11,839,458 was repaid in June, 1930, from which the Government used $5,000,000 to retire 4 per cent treasury notes at par. In October, 1930, an issue of $100,000,000 C.N.R. 4's, due 1960, was sold and the amount realized was $93,646,000, or a cost of some 4.38 per cent which is the best rate secured by the Dominion since 1914.

An issue of $40,000,000 4 per cent two-year treasury notes was sold between December 1, 1930, and February 15, 1931. In connection with the taking over of their natural resources by the three prairie provinces the Government issued 5 per cent debentures of which Manitoba received $5,919,863, Saskatchewan $17,809,039 and Alberta $9,564,569. These debentures mature July 1, 1934.

The only funded debt to be refinanced during 1931 is the $51,929,600 falling due on October 1, and all but some $15,000,000 has been exchanged for the new conversion loan. It is stated that retirement of this amount can best be done by the issuance of treasury bills.

Conversion Loan Reduces Volume of Financing in May

With the energies of bond dealers mainly devoted to the Dominion Conversion Loan, the volume of new financing during May at $23,179,264 was the smallest of any month this year and brings the cumulative total for the first five months' period to $272,530,587 as compared with $292,677,324 in the same period of 1930. The volume is the largest for the period of any year since 1921 with the exception of 1921.

With a stated objective of $250,000,000 the conversion loan was taken up to the amount of $639,816,500. The following figures of the amounts of each of the old loans to be converted were contained in the budget speech, but are subject to some change when final returns are received from overseas.

Year of Maturity	Total amount of loan	Amount surrendered for conversion
1931	$ 52,929,600	$ 38,762,500
1932	73,323,150	37,011,400
1933	446,659,950	272,989,100
1934	511,910,650	278,703,500
	$1,084,823,350	$627,466,500
Not yet distributed as to maturity		12,350,000
		$639,816,500

The amount of new financing which was undertaken during May and previous months in the current year divided according to type of borrower has been compiled by Wood, Gundy & Co. as follows:

NEW FINANCING IN CANADA
(Not including short-term financing of less than one year)

1931	Govt. and Govt. Guaranteed	Municipal	Corporation	Total
January	$105,444,000	$ 2,634,404	$ 1,255,000	$109,333,404
February	7,200,000	12,369,566	18,500,000	38,069,566
March	9,457,000	18,789,611	16,783,000	45,020,611
April	26,203,205	28,198,537	2,526,000	56,927,742
May	12,824,000	7,325,264	3,030,000	23,179,264

Jan. 1 to May 31	Govt. and Govt. Guaranteed	Municipal	Corporation	Total
1921	$ 63,157,171	$27,408,843	$26,433,000	$116,999,014
1922	148,910,251	36,744,261	37,470,600	223,125,112
1923	21,611,458	57,779,842	58,209,320	137,600,620
1924	87,513,000	44,548,309	35,403,700	167,465,009
1925	83,565,000	20,723,842	64,650,000	168,938,842
1926	146,300,000	31,137,056	89,650,000	267,087,056
1927	50,387,222	33,372,182	110,358,800	194,118,204
1928	41,960,000	13,679,921	127,277,000	182,916,921
1929	64,773,000	36,959,791	115,655,000	207,387,791
1930	103,486,000	69,548,324	119,643,000	292,677,324
1931	161,128,205	69,308,382	42,094,000	272,530,587

MAY REFUND BONDS LORD NELSON HOTEL

C.P.R. Has Installed Its Own Staff—Tourist Trade Lower in 1930

Reports that payment of interest, due October 1, on the 6½ per cent first mortgage bonds of Lord Nelson Hotel Co., is in doubt have been branded as being without foundation. Suggestions has been made however, that there is some possibility of the bonds being refunded. In the period October 15, 1928, to December 31, 1929, bond interest amounted to $45,500, was covered, but, after depreciation reserve of $25,857, the company showed a deficit of $6,471.

It is understood that revenues of the hotel have been adversely affected during the past year because of decreased tourist trade and that the hotel has been operated at some loss. The management of the hotel was originally under the direction of the Canadian Pacific Railway, which owns control, but since the first of the year the C.P.R., has taken over the operation of the hotel and installed its own staff.

No annual report for the company has been issued for 1930 and it is believed that there is a distinct possibility that the present first mortgage bond issue, of which $640,000 is outstanding, may be called and obligations issued which might be guaranteed by the C.P.R. and bear a coupon rate lower than 6½ per cent. The present bonds are redeemable in whole or in part, on option of the company, on any interest date after 30 days' notice at 105 up to October 1, 1932, and at a decreasing premium thereafter.

CONSOLIDATED GAS BOND OFFER MADE

National City Co. Sponsors $60,000,000 of 4½ Per Cents

From Our Own Correspondent

MONTREAL.—An offering of $60,000,000, 4½ per cent, 20 year debenture bonds of Consolidated Gas Co. of New York is being made by The National City Co.

Consolidated Gas Co. of New York does practically the entire gas and electric light and power business in the boroughs of Manhattan and the Bronx and in a large part of the borough of Queens, New York City, and in Westchester County. The company supplies Brooklyn with all its electric light and power requirements and operates a large steam heating business in Manhattan.

Following are details of the offering:

Company: Supplies greater part of New York City with its gas, electric light and power requirements.

Earnings: In 1930 net earnings were $84,616,030. Annual interest charges including this issue will be $15,744,425.

Property: Gas, electric and steam properties, exclusive of working capital, represent investment of over $1,100,000,000.

Offered: May, 1931, by National City Co. at 101.

Bond Sales

PETERBOROUGH

The Bank of Montreal has been awarded $347,000 4½ per cent debentures of the City of Peterborough, due June 30, 1951, at a price of 100.046; cost basis to the city, 4.4965. Bids for the issue were as follows:

1	Bank of Montreal	100.046
2	Griffis, Fairclough & Norsworthy	99.65
3	A. E. Ames & Co., Royal Bank	99.439
4	Wood, Gundy & Co.	99.40
5	Bell, Gouinlock & Co.	99.31
6	McLeod, Young, Weir & Co.	99.293
7	Bank of Toronto	99.18
8	J. L. Graham & Co.	99.09
9	R. A. Daly & Co.	99.023
10	J. L. Goad & Co.	98.846
11	Matthews & Co., Dyment, Anderson & Co.	98.841
12	Fry, Mills, Spence & Co.	98.793
13	Dominion Securities Corp.	98.779
14	Gairdner & Co., Bk. of Commerce	98.74
15	Drury & Company	98.63
16	Hanson Bros. Inc.	98.397

WOODSTOCK

The Imperial Bank has been awarded an issue of $55,000 4½ per cent 15-installment debentures, dated June 15, 1931, of the city of Woodstock, at 100.024; cost basis 4.496 per cent. Bids are reported as follows:

1	Imperial Bank	100.024
2	Gairdner & Co.	99.48
3	Royal Bank	99.427
4	A. E. Ames & Co.	99.367
5	Dominion Securities Corp.	99.279
6	Griffis, Fairclough & Norsworthy	99.27
7	Wood, Gundy & Co.	99.20
8	J. L. Graham & Co.	99.179
9	Dyment, Anderson & Co.	99.12
10	Bell, Gouinlock & Co.	99.12
11	C. H. Burgess & Co.	99.03
12	McLeod, Young, Weir & Co.	98.78
13	Fry, Mills, Spence & Co.	98.71
14	Coles & Tatham	98.6502
15	R. A. Daly & Co.	98.533

LIVERPOOL, N.S.

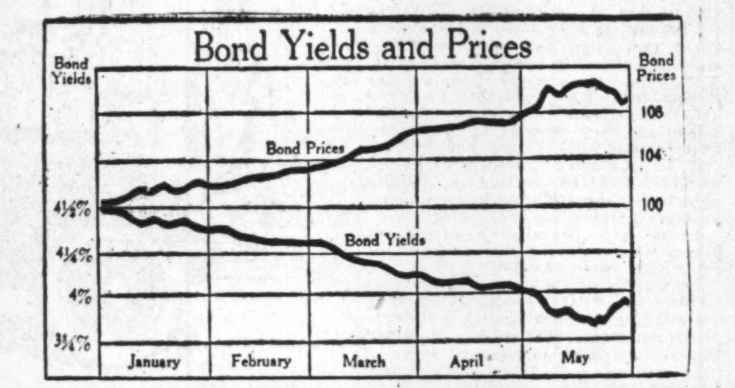
Royal Securities Corp. has been awarded $30,000, 5 per cent 30-year debentures of Liverpool, N.S., at 104.08; cost basis 4.74 per cent. The debentures mature April 15, 1961. Bids are reported as follows:

1	Royal Securities Corp.	104.08
2	Drury & Co.	104.00
3	Johnston & Ward	103.78
4	Dominion Securities Corp.	103.58
5	Eastern Securities Co.	103.37
6	W. C. Pitfield	103.30
7	Royal Bank	103.28
8	J. M. Robinson & Sons	103.20
9	N. S. Bond Corp.	102.399
10	Sterling Securities	102.05

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
B.C. Telephone	4½%	1962	†Nov. 1	105
Brazeau Collieries	7%	1935	*July 1	105
Cascade Water Power	4½%	1940	†May 1/32	100
West Kootenay Pr.	6%	1940	Sept. 1	110
Do.	6%	1943	June 15	104
Imperial Realty	*6%	1945	July 1	103
B.C. Electric	5%	1944	June 15	100
Nashwaak Pulp	*6%	1936	July 1	100
Stock Issues—				
Standard Brands	*7% pref. "A"		July 1	120
Foreign Issues—				
Kingdom of Denmark	*5%	1955	Aug. 1	100
Hungarian Land Mtg. Institute	7½%	....	July 1	100
Polish Syn. of Germany Ser. "C"	†6½%	1953	July 1	102½
Mtg. Bk. of Chile	†6½%	1957	June 30	100
Do.	†6¾%	1961	June 30	100

*Called in part.
†Or before.



A more irregular trend is noted in the average yield of Dominion of Canada bonds during May than has characterized the movement since the first of the current year. In the above chart, prepared by A. E. Ames & Co., yields have been converted to the equivalent price of a 25-year 4½ per cent bond to show the movement of bond prices.

Summary of Week's Annual Reports

A brief analysis of common stock earnings per annual statements received since last week's issue. Earnings per share are shown in brackets when they are before depreciation or income tax, or both, as indicated against "net income." The market price is the close on Tuesday this week, or last sale. Company name in bold type indicates listed stocks. The net income shown, is before preferred dividend, if any.

Company	Year end.	Net income 1930	Net income 1929	Common share earnings 1930	Common share earnings 1929	Curr: divd.	Surplus after dividends 1930	Surplus after dividends 1929	Mkt.	Mkt. times earn.	Yield
Investment Foundation	Mar. 31	98,715	a132,954	...	(.23)	...	10,713	a16,370	...	...	
McIntyre Porc. Mines	Mar. 31	b1,293,484	b1,146,603	b1.62	b1.44	1.00	495,484	348,603	21	13	4.76
Northern Trusts (Wpg.)	Dec. 31	c69,386	c103,192	2.31	3.44	2.50	d5,614	28,192	40 ask	17 1/3	6.25
Quebec Telephone & Pr. "A"	Dec. 31	32,644	41,821	.90	1.17	f...	3,204	d10,738	...	...	...
Rogers-Majestic Corp.	Mar. 31	390,378	444,892	g3.11	g3.54	1.20	g239,719	gh444,892	10½	3 1/3	11.43

a—Before federal income tax. b—After setting up general reserve, $400,000. c—After deprec. reserve 1930, $10,000; 1929, $17,000. d—Loss or deficit. f—Div. passed April. 1931; 80 cents paid in 1930. g—Before write-offs; goodwill 1930, $50,000; 1929, $200,000; and organization exp., 1930, $3,100; 1929, $4,224. h—Also before deducting $62,775 for bonus paid 1930 out of 1929 surplus.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Provincial—	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Chatham	May	Locally	...	....	$76,512	....	....
Peterborough	May 29	Bank of Montreal	4½%	1951	347,000	100.046	4.4965
Nicolet, Que.	May	Bk. Can. Nationale	5%	30-yr. ser.	44,000	99.53	5.04%
Chilliwack, B.C.	May	V. W. Odlum, Brown & Co.	5%	10-yr.	13,500	100.15	4.98%
Regina, Sask.	May	Gairdner & Co.	4½%	30-yr.	226,900	92.30	....
			4½%	15-yr.	100,000	94.80	....
Sacre-Coeur de Jesus, Que.	May	Bk. Can. Nationale	5%	40-yr. ser.	110,000	97.03	5.22%
Woodstock, Ont.	June 1	Imperial Bank	4½%	15-ins.	55,000	100.024	4.496
Liverpool, N.S.	May	Royal Securities Corp.	5%	1961	30,000	104.08	4.74%

POOLS UNDECIDED ON FUTURE POLICY

Break-up Imminent if Members Released From Contracts

From Our Own Correspondent

CALGARY.—Directors of the Alberta and Saskatchewan wheat pools have been holding joint sessions here. The immediate problem under consideration was whether or not to continue the central selling agency. Manitoba's retirement from that agency is taken for granted, and opinion here is that the Manitoba Pool is practically defunct, at least so far as the pooling of grain is concerned. There is a strong feeling now in Alberta pool circles that the provincial pool should separate from Saskatchewan, and leave the Central Selling Agency to be wound up just as soon as Mr. McFarland completes the selling of the 1930 crop. But there are technical difficulties in the way of setting up separate pool selling organizations for Saskatchewan and Alberta.

Directors of each pool are now under a barrage of requests from members for release from pooling contracts. But so far no practicable plan has presented itself for accomplishing this that would save the whole structure from liquidation.

INVESTMENT BANKERS MEET AT MURRAY BAY

Annual Event Will Take Place June 18-21—To Visit Beauharnois

Members of the Investment Bankers' Association of Canada will hold their annual meeting at Murray Bay, Que., from June 18 to 21. On Thursday, June 18, members of the association will be the guests of the Beauharnois Power Corp. and will visit all phases of the development which is the largest power project under construction in Canada at the present time.

Members will leave Montreal on the new Canada Steamship Lines "Quebec" at 6.35 p.m., June 18, arriving at Murray Bay on Friday at 12.30 p.m. Executive and standing committees will hold meetings on the boat and the regular business session will be held Saturday morning at 10 a.m. Friday afternoon will be devoted to recreation and the annual dinner will be held Friday evening. On Saturday afternoon the annual association gold tournament will be held. Members will leave Murray Bay on Sunday at 3.15 p.m. by S. S. Richelieu arriving in Montreal on Monday morning at 8 a.m.

MODEL OILS PAYS ANOTHER DIVIDEND

Model Oils, which has one producing well in Turner Valley, Alberta, has just declared a second dividend of three cents per share payable on June 20, 1931, to shareholders of record June 10.

In February last the company announced its intention of going on an annual dividend basis of 12 cents per share payable quarterly. The first distribution of three cents per share, distributing $24,000, was made on March 16, 1931.

Production marketed from the company's well, to the refinery in Calgary, totalled 15,601 barrels for the first three months of the current year.

Says No Deal Pending on Sherwin-Williams Stock

W. S. Fallis, president of the Sherwin-Williams Co. of Canada, is quoted as saying that no negotiations are at present being carried on, nor are any contemplated, for stock control of the Sherwin-Williams Company of Canada, between the Cottingham estate and outside interests.

Various rumors with reference to the disposition of the holdings of the estate in the company have been current, for some time past, and these are now definitely set at rest by this announcement.

Bond Tenders

2 o'clock (D. S. T.) June 4, Province of Ontario—$30,000,000, 4 per cent 40-year installment bonds, dated June 1, 1931, interest payable June and Dec. 1. Bonds mature the 1st day of June each year as follows:

1932	$316,000	1952	$ 692,000
1933	328,000	1953	719,000
1934	341,000	1954	748,000
1935	355,000	1955	778,000
1936	370,000	1956	810,000
1937	384,000	1957	842,000
1938	399,000	1958	875,000
1939	416,000	1959	910,000
1940	432,000	1960	947,000
1941	499,000	1961	985,000
1942	468,000	1962	1,024,000
1943	486,000	1963	1,065,000
1944	505,000	1964	1,107,000
1945	526,000	1965	1,152,000
1946	547,000	1966	1,198,000
1947	568,000	1967	1,246,000
1948	592,000	1968	1,295,000
1949	615,000	1969	1,347,000
1950	639,000	1970	1,401,000
1951	665,000	1971	1,458,000

Principal and interest payable at the office of the Treasurer of Ontario, Toronto; or at the agents of the treasurer of Ontario in Montreal, Winnipeg, Vancouver, Regina, Halifax, Calgary and St. John, Canada; or at the agents of the treasurer of Ontario in New York; or at the agents of the treasurer of Ontario in London, England. E. A. Dunlop, treas. (See announcement on page 12).

June 8, City of Sherbrooke—$80,000, 4½ per cent, 22-year serial bonds. A. Deslauriers, clerk.

June 10, Town of Terrebonne—$20,000, 5 per cent, 20-year serial bonds. O. Vezina, sec.-treas.

June 15, New Waterford—$100,000, 5½ per cent 20-yr. debentures, dated May 15. W. J. Hinchey, mayor. (See announcement on page 12).

6 o'clock, June 15, Village of Almaville, County of Champlain, Que.—$2,400, 6 per cent bonds dated May 1, 1931, and due serially from May 1, 1932, to May 1, 1943. Capital and interest payable at the Bank of Commerce in Quebec, Montreal and Shawinigan Falls. J. O. Beaumier, sec.-treas.

12 Noon, June 10, Halifax, N.S.—$362,100, 4½ per cent refunding loan, maturing July 1, 1952. Issued for the purpose of retiring $362,100 6 per cent debentures maturing July 1, 1931. Bonds are payable in Halifax, Montreal, Toronto, Winnipeg, or Vancouver at holder's option. R. V. Dimock, city treasurer.

NEW ENGLAND POWER PLANT COSTS LIMITED

Despite Setbacks, Outlay on Fifteen Mile Falls Within Estimate

From Our Own Correspondent

MONTREAL.—Final check-up of the cost of constructing the new 215,000 h.p. Fifteen Mile Falls hydro-electric plant of New England Power Association, subsidiary of International Hydro-Electric System, shows the total cost was within ½ of 1 per cent of the preliminary estimates made before work was begun, two years before the completion of the plant.

Although many unanticipated difficulties were encountered during construction, such as ice-jams during the first winter and the premature closing of a bypath through the fall of a water gate, they were offset by economies in other directions, chiefly in the erection of the 126-mile 220,000 volt transmission line connecting the plant with the Tewksbury, Mass., substation of the association.

Rates on Costs

The necessity for an accurate estimate of ultimate costs was indicated by the fact that New England Power Association's long term contract with the Edison Electric Illuminating Co. of Boston for about one-half the output of the Fifteen Mile Falls plant was negotiated on the basis of the preliminary estimates.

The schedules of construction duplicated the record established on final cost, for the plant went into operation exactly on time.

Gatineau Record Equal

Close approximation of ultimate cost of the Fifteen Mile Falls plant was paralleled in the Gatineau River construction programme of Gatineau Power Co., another subsidiary of International Hydro-Electric System.

Extending over a period of three years and ranking as a great engineering achievement, the system of hydro-electric plants built on that river cost within 1 per cent of the original estimates before the first shovelful of earth was removed.

Included in that programme were three hydro-electric plants designed for an aggregate installation of 562,000 h.p., of which 436,000 h.p.; was then installed, a storage reservoir one-sixth greater than the famous Assouan reservoir on the Nile, and a considerable mileage of high-tension transmission lines.

Offer Made for Preferred of Northern Mexico Power

Shareholders of the 7 per cent preferred stock of Northern Mexico Power & Development Co. have been offered the 7 per cent preferred stock of Empresas Electricas Mexicanas Inc. on a share for share basis. The offer is made by American & Foreign Power Co. which controls both companies. Shareholders are given until July 15, 1931, to forward their stock and the Montreal Trust Co. in Montreal, Toronto and London, Eng., has been designated as depositor.

In 1929, Northern Mexico Power & Development Co. and its operating subsidiary, had net earnings of $743,632 before depreciation, bond interest and Mexican income taxes. The report for 1930 is not yet completed but it is stated that preliminary advices from the auditors indicate net earnings at $247,447. No appropriation was made for depreciation in 1930 although $240,000 was provided in 1929. After deducting interest, discount on bonds and Mexican income taxes it is stated that a net profit of $169,683 will remain at the end of 1930 as compared with $398,499 the previous year. Dividends on the 7 per cent preferred stock of the company amounted to $210,000 in 1930.

It is anticipated that because of the silver situation earnings will continue to decrease to such an extent that dividends cannot be continued on the preferred stock. It is pointed out that the income of Empresas Electricas Mexicanas Inc. is derived from widely diversified operations and is not therefore so subject to localized conditions.

Bonds issued by the Dominion Government and by the Provinces of Canada stand in the forefront of conservative securities, and the investor who seeks permanence in values together with dependable income will do well to include a proportion of these bonds among his holdings. A representative selection of Dominion and provincial government bonds is contained in the June number of our investment security booklet, a copy of which will be sent to any investor on request.

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TORONTO, JUNE 4, 1931

WEEK'S BRIGHT SPOT

IN APRIL, 1929, Canada produced 9 per cent of the gold produced in the world in that month. In April, 1930, Canada produced 10 per cent. In April, 1931, Canada produced 12 per cent. In April, 1929 and 1930, Canada was third among the world's gold producers. In April, 1931, Canada was second.

Canada's gold production is now worth $4,000,000 a month.

RAILWAYS FACE EMERGENCY

BUSINESS men in Canada can not but be alert to developments in connection with American railroads. Most of the large American railroad lines are facing an emergency right now, but an emergency that has been some years in developing. Railroads have suffered seriously from declining revenues. To some extent this has been due to the development of competing forms of transportation, notably bus and truck operation on the many miles of fine highways that have been provided since the war, but also there has been a steady decline in available traffic during the recent period of business depression without the possibility of commensurate decline in expenses. If many of the leading railroads are not to avoid bankruptcy, relief must be found shortly, either in increased revenues or in decreased wages.

The railroads in the United States seem to feel that higher freight rates will be easier to obtain than lower wage scales. In other words, the consumers of freight service are believed to be less well organized and politically less powerful than the railway unions. The only thing that is holding up a direct review of higher railway rates by the Interstate Commerce Commission is the discussion as to how best the problem can be brought up. The railroads are hesitant about making the request themselves until it has been made clear that the Interstate Commerce Commission will not take the initiative. In any event higher railway rates are distinctly possible in the United States within the coming year and such higher rates would probably bar wage adjustment, or at least postpone it for a few years.

The railroad situation in Canada has not reached a stage of crisis, but it is serious. All the good work that has been done during the past ten years in building up operating surpluses on the Canadian National seems likely to go to nought in the face of declining revenues. The Canadian Pacific Railway celebrated its Golden Jubilee by cutting its dividend in half, and an examination of monthly earnings reports of the Canadian Pacific over a term of five years or more reveals that one would be unwise to consider such action as merely temporary. Were it not for its increase in revenues from special investments—revenues that are subject to the hazards of business conditions—C. P. R. would not be financially as strong as it is today. The whole question of railroad rates and railroad wages must be projected into the realm of practical politics very shortly in Canada. The action taken in the United States is likely to have considerable weight in preparing public opinion for a discussion of the railroad problem in Canada. The American railroads are seeking relief through increased freight rates. There is no assurance that such action is practically possible in Canada. Our freight rates are lower on the average than those in the United States despite the sparser population and the higher cost of operation. Primary producers in Canada such as wheat growers, coal miners, already enjoy freight rates that are substantially at rock bottom. In some cases they have received these through the rate structure and in others through Governmental subsidies.

But while our rates are low there will be an insistent demand that they conutinue low. In fact increased freight rates in Canada now would greatly handicap our producers. The western farmer who complained of the grain freight rates when wheat was $1.50 a bushel is unlikely to support enthusiastically increased rates, when grain is 65 cents a bushel. If we are to consider increased freight rates in Canada as politically impossible and as economically unsafe at the present time, the problem of the railroads must be met in other directions, namely by lowered costs.

Already the railroads have cut their expenses very greatly. To some extent duplication of services has been curtailed, and if there was any tendency to frills it may be taken for granted that this tendency will be checked immediately. But the major item in railroad operating costs is wages, and it does not seem practical that railroad wages should remain at 1920 levels when the cost of living and income of those who, in the ultimate analysis, pay railroad wages have alike declined considerably.

From the Canadian standpoint it will be preferable if American railroad executives and workers frankly face their problem from the angle of wages, rather than from the angle of freight rates and achieve the necessary adjustment in that direction. It would greatly facilitate the solution of the problem in Canada.

PRIVATE POWER RATES AT SAULT STE. MARIE

THE Sault Ste. Marie, Ont., Daily Star has received no entries in the power rate competition it is conducting. The Soo Star offers a challenge cup to the Ontario municipality that shows the lowest electric light and power rates. We do not imagine that the Star had in mind doing much more than call attention to the low light and power rates at the Soo and this it is succeeding in doing.

Figures compiled by the Star show that no municipality, obtaining its power from the Ontario Hydro-Electric System, has the benefit of rates as low as those charged in the canal town. No one yet has challenged the figures.

The feature of this comparison that is of particular interest is that the Soo obtains its energy from a private power company controlled by the Insull group of Chicago. Much alarm has been felt in Western Canada because this middle west utility octopus has been spreading its tentacles into the prairie provinces. Citizens of Ontario Hydro towns have at times been loud in their lamentations over the terrible plight of the poor people of the Soo, firmly caught in the grip of an American public power trust.

If the Insulls do for Western Canada what they have done for the Soo, the West will have no cause to regret the entry of such an efficient public utility organization into their midst. And what the people of the Soo think of the tears shed for them outside was shown a few years ago when they voted to keep the Hydro out of their city.

FARM DEPRESSION

THE world depression in agriculture is reflected largely in the calamitous fall in prices of all farm produce. It is estimated that the farmers of the world will this year obtain $3,250,000,000 less for their production than they would have obtained for the same production at 1929 prices. Over half of this loss is in wheat, which will return world farmers only half of what they would have received were they getting the prices to which they have accustomed themselves in their operating costs and living habits.

World-wide depression in agriculture is not new. The last few years of the 19th century were marked by severe agricultural depression. This was the time when overseas countries such as United States and Canada were beginning to increase their cereal crops and to make inroads on the European markets, which had previously been supplied by European producers. This depression passed in a few years. The factors that led to the final restoration of farm prosperity throughout the world were of course numerous, but two were of outstanding importance.

First, there was the rapid development of manufacturing industries in the United States and in Europe, accompanied by an exodus of farm population to the cities. This reduced farm output, increased demand for agricultural products, and generally raised the standard of living.

The second factor was the tremendous movement of people from Europe to United States and Canada. Millions of Europeans moved to the United States and Canada, settling chiefly in the towns and increasing the mass of consumers of farm products. Yet a very large proportion of these immigrants came from agricultural areas of Europe. It was a case of the United States absorbing the rural labor of Europe and thus bringing balance into the economic structure again.

The present agricultural depression will find its solution in some similar movement, but of course, a fair measure of prosperity for individual farmers in different countries is not dependent upon such large scale and lengthy processes of adjustment. There are large areas throughout the world requiring the application of capital and labor to natural resources. Even in Canada, for example, we can support a population several times what we now have and we can keep them busy in the process of extracting our natural raw materials and converting them into finished products. When capital and labor again is being actively fed to the great areas of undeveloped natural resources throughout the world, new markets for the world's agricultural products will be created in sufficient volume to restore world-wide agricultural prosperity again.

With a problem as deep seated as this one, it is futile to attempt to make farmers prosperous by puny attempts to interfere with the free play of international forces.

PROFITS ARE CERTAIN TO COME AGAIN

A GREAT many unthinking people seem to be very pessimistic at the present time because they do not see any possibility of industry generally getting back to the large-scale production of 1928 and 1929. With such large-scale production lacking they feel that substantial net profits for investors are impossible. This is a somewhat inaccurate because narrow view. It will be possible for industry generally to show good profits on a volume of production much below the 1928-1929 figures. First of all it will be necessary to cut down the cost of production and the economies now being effected on a wholesale scale are putting industrial concerns in a position to make net profits as soon as there is the slightest upturn in volume of output.

During the period of 1929, the gross value of production was rising at a very rapid rate, due in part to rising wages and commodity prices, and the stimulation that these appeared to give to business. Too little attention was paid to the cost of production so long as the gross volume showed a succession of monthly increases. In fact, as the cost of production tended to lag somewhat behind the increases in the volume of business there was no difficulty in showing good profits. With the turn of the tide it took a very small decline in production to bring about a loss of profits and to turn satisfactory figures into red ink figures. Industry never takes a profit toll of more than the top few inches of the yardstick of production, and the first declines in production wiped out this margin entirely in many cases.

During 1930 and 1931 business executives have been busily engaged in endeavoring to cut costs of production. This is being aided by the dropping commodity prices, and along with this decline in commodity prices, reductions are taking place in wage rates. Industry is approximately at the point where the stabilization of a relatively small increase in production will begin to produce satisfactory profits, and pave the way for increased profits when production begins to rise in any material way.

One needs only go through the reports of company accounts in any issue of The Financial Post to realize the curtailment in expense that is going on in industry. While this expense curtailment involves in many cases a certain measure of hardship on some individuals, it is an inevitable process, causing in the aggregate much less injustice and harm than would be caused by a protracted period of red ink figures.

Already a number of concerns are showing improvement in this year's earnings over last year's earnings, although they are doing a smaller volume of business. This tendency will gradually spread throughout business.

The reduction in industrial costs is particularly essential because primary producers such as farmers, feel that the prices of manufactured products have not come down in a degree commensurate with the fall of the prices of their own products. As the prices of finished products come down business will benefit from more ready buying.

The only fly in the ointment is the tendency for some companies to carry economy to such extremes that they are making no aggressive effort for business and curtailing all development expenditures.

SHOULD SPEED TREATY WITH NEWFOUNDLAND

THE manager of the Canadian branch of an American company remarked the other day in private conversation "The American factory has been giving us several of their export fields to handle, including all of the British Empire countries. We are ready to take most of these over and transfer the production to our Canadian branch. But one of the countries they wanted to give us was Newfoundland but we simply refused to take it. The freight rate from our plant in Ontario to St. John's, Newfoundland, is prohibitive compared to the freight rate from the American plant, which is on seaboard and which can ship entirely by water."

The significance of this remark is that Canada can not benefit in foreign trade from its association with other Empire countries unless tariff arrangements are put on a satisfactory basis. Canada now has no trade treaty with Newfoundland. The formerly existing treaty was cancelled a few years ago, chiefly due to misunderstanding, and no active or decisive negotiations have since been conducted for the re-establishment of preferences between the two Dominions that, of all the British dominions, are closest to each other and have the most highly developed common interests.

Arranging a trade treaty at any time is difficult, but Ottawa cannot claim that a trade treaty with St. John's is impossible since no real effort has been made to bring one into effect. In the meantime some Canadian firms are losing business to American firms.

WASTE OF COAL

BRITISH business men who have been visiting Canada in the last few weeks have said that one of the first things that attracted their attention and kept pressing itself on them was the frightful waste of coal in our cities as shown by the immense volumes of smoke pouring forth from hundreds of chimneys. They remarked that this was not only bad for health, but was a frightful waste of money.

This is one of the wastes which science is aiding us to eliminate. The use of electric power, coke and gas is making coal more efficient.

POST-scripts

MEMBERS of parliament now know what a cow is. They have been given an exact and scientific description of "the mother of prosperity" by Col. H. A. Mullins, livestock breeder and political wit from Manitoba. Hansard records the Colonel's little lecture as follows:

Mr. MULLINS: Yes. I wonder if you know what a cow is? I have a clipping here and I will read it for the benefit of some hon. members opposite:

"The cow is a female—"

Some hon. MEMBERS: Oh, oh.

Mr. MULLINS: I have been asked foolish questions by some of those professional men on the opposite side, and therefore I want to read this article for their benefit. I asked one hon. gentleman opposite a certain question in reference to a cow, and he looked at me with amazement and could not answer—he could not tell me which end of her got up first. So I am going to tell you what a cow is. This is an excellent article written by a student in a Minnesota college. I thought it was only right that some members here should know something about the cow so they would not ask such foolish questions about her. Let me proceed.

"The cow is a female quadruped with an alto voice and a countenance in which there is no guile. She collaborates with the pump in the production of a liquid called milk, provides the filler for hash, sausages and similar objects, and at last is skinned by those she has benefitted, as mortals commonly are.

"The young cow is called a calf, and is used in the manufacture of chicken salad, breaded veal and other uses of which no further knowledge is necessary.

"The cow's tail—"

I want you to know where it is mounted.

"The cow's tail is mounted aft and has a universal joint. It is used to disturb marauding flies and the tassel on the end has unique educational value. Persons who come in contact with the tassel have vocabularies of peculiar and impressive force.

"The cow has two stomachs."

One of my hon. friends opposite did not know that she had two stomachs.

"The one on the ground floor is used as a warehouse and has no other function. When this one is filled, the cow retires to a quiet spot where her bad manners will occasion no comment. The raw material thus conveyed for the second time to the interior of her face is pulverized and delivered to the auxiliary stomach, where it is converted into cow.

"The cow has no upper plate."

Now, get that. I was asked by an hon. gentleman: "How many teeth has she in her upper jaw?" I said to him, "Don't you know? Have you ever looked a cow over on the farm?" He said, "No; I looked over the fence at a cow and that is as near as I ever got to seeing her teeth."

"The cow has no upper plate. All of her teeth are parked in the lower part of her face. This arrangement was perfected by an efficiency expert to keep her from gumming things up. As a result she bites up and gums down."

Who's Looney Now?

By PAUL COHEN.

Member of the New York Bar, in recent address

I have in mind the experience of a lawyer friend of mine who is one of three members of a board of directors which controls the millions left by a wealthy client several years ago. On this board with him sat a banker and one of the sons of the founder of the trust. My lawyer friend and the banker regarded the presence of the son as a mere matter of form—a sort of sop to the founder's family. The son's judgment on things financial they felt were entitled to no respect and little, if any, consideration. In the spring of 1929 the son first suggested, then reiterated, and finally demanded that all of the stocks held in the trust be sold. He said that prices had gone crazy and could not last. My lawyer friend and the banker laughed at him and said stocks were bound to go much higher. But he was so persistent that in June, 1929, they sold all of the stocks and invested the proceeds in call loans and government bonds. A month later the son was committed to a hospital for the insane. Several months ago he was discharged from the hospital as sufficiently recovered to be of no danger to himself or others. He has resumed his place upon the board. My lawyer friend and the banker no longer engage in prophecies as to what is likely to happen in the financial world, for they expect at any moment to hear the founder's son say: "Who's looney now?"

New Books

Economic Situation of Great Britain

Sir Walter Layton, editor of The Economist has written a brief review of the economic situation of Great Britain.

Sir Walter is apparently annoyed by some recent discussions of Britain's economic position which give the impression that Britain is running downhill in an industrial and economic sense. The present pamphlet was originally written as an article for the Revue de Paris as a reply or supplementary to a previous article by Professor André Siegfried.

Sir Walter says that Great Britain is making excellent progress in solving her economic problems. While there is a certain tendency to conservatism and long established traditions in British business progress being made in adapting British policy to recent economic changes. The industries that were formerly dominant in the Old Country, such as shipbuilding, coal mining, iron and steel, etc., have declined in relative importance but new industries are developing to absorb a larger share of the working population. Britain's dominance in the heavy industries may have passed, but she has shown an ability in the highly technical industries that will ensure her of a large share in the world's trade in quality products. What has been done in electrical machinery, telegraph apparatus, rubber tires, aeroplanes, motor cars, artificial silk, etc., is evidence of what progress she will make in rebuilding her industries to new conditions.

The volume is an excellent survey and not entirely special pleading. It is published by the London General Press, 6 Bouverie St., London, at 2/6 net.

An Empire Supplement

Important discussions relating the growth of Inter-Imperial trade appear in an Empire Products section of The Times Trade and Engineering Supplement just published. An unnamed correspondent, while stating that the future prosperity of Great Britain largely depends upon the evolution of effective policies for Imperial economic co-operation, is nevertheless skeptical of the value to the Dominions of some of the preference plans offered. He feels that a preferential tariff on wheat or a wheat quota would be of little value to the Dominions for Great Britain can only consume about one-half of the export surplus of the Dominions. If Great Britain were to restrict its purchases of wheat largely to Empire wheat there would still be a surplus available for sale in other countries and Britain's action would merely intensify the competition for the sale of Empire wheat in other countries.

An article by Sir Gilbert Vyle, Chairman of the British Preparatory Committee for the Imperial Conference of 1930, reiterates the feeling of British business men that an Imperial economic secretariat is required to pursue a constant study of the problems involved in the extension of Empire trade. Sir Gilbert declares that no Inter-Empire trade policy can succeed unless there exists machinery with which to operate it.

Another correspondent, who does not sign his name, outlines the progress of the idea of rationalization of Empire industry and urges the principle of allocation of production and market.

Numerous other articles make the supplement valuable.

Other People's Views

Floods of Words

Printer's Ink, New York.—The new two-dollar word which seems to be emerging from all the conversation is that unwieldy one, stabilization. In a general way everyone seems to think it is a good thing, but it is extremely doubtful whether there will ever be any stabilization in business as a whole. Business has always been in a state of flux. To "settle" the international problems of spasmodic employment and production is a dream for the idealist.

What is actually happening is that in various parts of the country individuals having set definite objectives for themselves have come to learn more about their own businesses and then stabilized them. In several recent talks, R. R. Deupree, president of the Procter & Gamble Co., has said that he found generalities and theories about stabilization very perplexing but that, nevertheless, his company had found a way to guarantee employment to its workers and, by setting a definite objective, it has come to know its own business better than ever before.

There are literally hundreds of others who are doing the same sort of job within their own four walls.

Leaving it to public speakers, economists and writers to generalize, they are working specifically with individual problems. Daniel Willard has described this new spirit of management as being "the will to do." It is certain that hundreds of young executives in various parts of the country are getting far more inspiration from the examples of certain outstanding stars in management than they are from the perplexing and contradictory speeches which are made on economic subjects all the way from Luxembourg to South Africa. Words and theories aren't going to help the world much from here on. The will to do something, to try something constructive is far more important than willingness to tell the world what is wrong and how to fix it.

Newsprint Illness

Editor & Publisher, New York.—The statement is made in Ottawa Journal that Canadian newspapers do not want newsprint at prices so low that there is no reasonable profit for the producer and only grief for the worker. The editor says the great industry of the province is "sick," and he wonders what the cause may be, whether too many lavish timber leases or too much of the "get-rich-quick idea in capitalization."

It is equally true that newspapers of the United States do not want newsprint at prices below a reasonable profit level, bringing grief to the worker and harm to Canada. The newspaper business greatly desires a stable newsprint industry at fair prices.

But how can fair prices be fixed for a commodity that is forced to swim on an ocean of watered stock and cover all manner of extravagant charges which have nothing to do with legitimate financing and the business of cutting and hauling spruce, grinding and milling, selling and delivering the product? The newsprint industry's indisposition is largely self-inflicted. Every fair-minded publisher, on both sides of the border, wants to see the industry flourish and financial reorganization on fairly conservative lines is the best remedy we have heard proposed.

Calvin Coolidge Says:

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SOME of the younger generation the world over are complaining because they have to bear the obligations coming to them from the past. They assert that as they did not create such obligations they ought not to have to discharge them. They apply this reasoning particularly to conditions arising out of the war.

It would be wonderful if we could be relieved of all the mistakes and debts and enjoy only the wisdom and property of the past. Unfortunately that is impossible. We have to take the world as it is. The liabilities cannot be separated from the assets. If the new generation enjoys the advantages of the scholarship, inventions and accumulations of past ages it cannot successfully repudiate the charges with which the inheritance is burdened.

No possibility exists of restoring the world from the ravages of the war except by a long, hard, laborious process. Any concerted effort to seek a remedy in any other direction would result only in destroying the great values which now exist. There is no salvation in repudiation or confiscation. All past experience indicates that the youth of the world ultimately will recognize this and have the courage and character to provide the necessary reconstruction.

* * *

THE National Foreign Trade Council emphasizes the important place that international commerce holds in the world. It embraces nearly all the important elements of agriculture, industry, transportation and finance.

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CALVIN COOLIDGE.

This Goes for Canada Too

Monthly Bulletin of National Bank of Australasia.

Many members of the farming group—the largest section of primary producers in Australia—are confronted by financial difficulties which threaten to overwhelm them. Their plight has become a pressing national problem, toward the solution of which the earnest co-operation of all sections of the community should be directed.

Reference to the principal factors which have brought the man on the land to his present difficult position is not inappropriate here. The immediate and chief cause of the trouble is the slump in commodity prices. Our staple products meet world competition in oversea markets, and until Australian internal conditions are adjusted to permit farmers, and more particularly wheat-growers, to reduce production costs to a figure which will enable them to successfully compete in the markets of the world, their future can by no means be regarded as secure or hopeful.

Factors contributing to present high production costs include excessive municipal rates, the relatively high cost of provisions and farmers' "tools of trade," high cost of transport, the damaging incidence of Commonwealth land tax (a levy on capital) and other taxes, and to some extent the interest rates which the special conditions pertaining to finance in Australia compel mortgagees and other lenders to charge. In some quarters undue emphasis has been placed upon the burden of interest as portion of production costs. It is not sufficiently realized that interest is the substitute for rent, and is a much lower charge, generally, than the rent would be. Also most lenders are adopting a helpful attitude to their farmer-borrowers during the present adverse conditions.

Underlying the above-mentioned factors, and to a large degree the cause of their extreme growth, are the high wage rates ruling in Australian industries generally, compared with those of competing countries.

If, under existing conditions, future prospects of the farming group cannot be regarded as promising, the outlook for other producing interests in the Commonwealth is indeed doubtful, for the man on the land provides the main market for the output of many of our factories as well as for a large proportion of the goods we import. Governments, the Banks and other finance institutions, commercial and industrial organizations, all appreciate the dangers of any considerable exodus from the land or diminished primary production; and in all quarters it is conceded that early and effective relief by some means should be forthcoming.

In all times there are some farmers who, by reason of shortage of capital, poor equipment, excessive debts, unsuitable or insufficient land or some individual lack or failing, are unable to pay their way. The marked drop in wheat prices has proved calamitous to those people, and it is certain that many of them will be unable to continue as independent producers. Most of them are heavily in debt, and to grant them additional credit would be to throw good money after bad. Their number would be far smaller if the cost of the many goods and services which are necessary to production could be promptly and substantially reduced. There is, however, strong opposition from some quarters against action tending to lower costs generally, and, in the meantime, the "marginal" farmer will be forced from his holding.

"Stop Me If You've Heard This One"

The scene is a dress rehearsal of Noah's Ark. Hundreds of people and animals are running about. But above all the confusion can be heard the shrieks of the electrician: "What lights shall I use? What lights shall I use?" And the heavens open and a voice comes to him: "The flood lights, you sap."

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Business Conditions in Canada

The Week in Business

New Zealand Good Customer

Statistics Still Conflicting

ONCE business has had a few days to properly digest the Bennett budget, Canadian trade and commerce should settle down to whatever level of activity is forthcoming for the next few months. The past few weeks have undoubtedly been influenced in part by a hesitation as to what the budget might contain and also by the almost certain knowledge that the sales tax was to be increased, which tended to speed up industry unduly in many lines.

IN SPITE of Mr. Bennett's attempts to foster a "Canada First" policy and build up industrial life in the Dominion, there will be general disappointment among business men, particularly exporters, that New Zealand has apparently thrown this country overboard as far as the preference is concerned and has placed us on an even footing with United States and other non-Empire countries. Canada's trade with New Zealand has grown within the last ten years from $5,000,000 to $35,000,000 and without exception the balance has been invariably in favor of Canada—that is, Canada has sold more goods to New Zealand than she has received in exchange. The total of this favorable balance in the past five fiscal years has been over $33,000,000 and even when butter imports were at their peak—namely in the fiscal year ending March 31, 1930, Canada had a balance of trade in her favor of approximately $3,000,000.

BUDGET week is one week in the year when business is not greatly interested in the statistics of the past month or even of the past week. One's viewpoint almost automatically looks forward rather than backward when new fiscal policies are announced. Incidentally this might be an excellent frame of mind to cultivate during the rest of the year for he who looks backward is not going to find pleasant reading especially when figures for 1931 are compared with corresponding figures for 1930 and 1929. However, current statistical data are still conflicting rather than encouraging. Commodity prices have not yet stabilized to any satisfactory degree; carloadings show some slight improvement for the week but give no indication of returning to a satisfactory level where they reflect a normal volume of business or a profitable basis for railway operation. Stock markets continue to cut a sorry figure with the result that economists are beginning to lament that they have ceased to be a forecaster of business having continued to soar three months after business turned downward in 1929, and having continued to drop after the most reliable indices of business volume turned upward several months ago. New wheat export business has been dull in recent weeks although shipments in May, on old accounts, were heavy. Prices have been higher as weather conditions in Western Canada failed to show improvement although it is not yet too late for sufficient moisture to fall to correct what is now a very unsatisfactory outlook.

TORONTO REPORTS OFFICE VACANCIES LESS THAN 10 P.C.

Rents Down Considerably Which Makes Problem For Mortgages

A recent survey of office accommodation in Toronto showed vacancies of 9.8 per cent first class office space. A year ago the vacancies were 7.8 per cent as shown by a survey made by the same firm of realtors. The increase in vacancies is not considered alarming. Most large American cities are showing office vacancies up to 25 per cent, and the normal figure is usually considered around 10 per cent. There are no additional large office buildings coming on the market shortly in Toronto, although the Bank of Nova Scotia has plans for a new head office building, which will include a large amount of space for renting to other firms.

While there seems to be no difficulty in renting offices, the rates have come down considerably. Some offices that were renting freely at $2.50 per square foot annually two years ago are now available at $1.75 per square foot. This represents a reduction of about 30 per cent, and long term leases at the reduced rates are being arranged.

Mortgage Rates Problem

In the case of some of the newer buildings the lower scale of rentals creates a serious income problem as mortgage rates are fixed and even for renewals have not come down materially, and in fact mortgage money is difficult to get at the present time. Fuel, wages and taxes also have shown little tendency downwards. In fact taxes in Toronto are higher and assessments being made this year show no recognition on the part of civic officials of the lower values generally prevailing.

Rents of apartments and houses in Toronto have not declined materially, although sale values have come down in accordance, first with the decline in cost of construction, and secondly with the lack of demand.

Business Busy Digesting Budget

	Canada	United States
Commodity Prices:	New all-time low for copper has serious effect on Canadian mines.	Annalist's wholesale price index off from 102.5 to 101 in week; 132.2 a year ago.
Iron and Steel:	Lack of orders may force shut-down of some blast furnaces.	Ingot production 44 p.c. of capacity demand sluggish and diminishing.
Foreign Trade:	New Zealand withdraws preferential tariff on Canadian goods.	April exports, at $217,000,000 lowest since 1914; imports lowest since 1921.
Car Loadings:	Grain shipments cause some gain; current volume 11.6 p.c. under year ago.	Current volume 19.4 p.c. under same week in 1930; 28.5 p.c. under 1929.
Employment:	Index at May 1 was 102.2, up from 99.7 on April 1; compares with 111.4 May 1, 1930.	April factory employment index down 0.2 to 77.9; payrolls down 1.3 to 73.6.
Stock Market:	Volume of sales is small but prices continue lower throughout list.	Forced liquidation, bear raids; uncertain outlook, cause continued recessions.
Credit:	Decline in current loans by banks appears to be slackening.	Loans to brokers drop $57,000,000; demand for commercial credit is lower.
Week's Highlight:	Sweeping tariff and revenue changes announced by Bennett to offset $75,000,000 deficit.	Treasury seeks to fund $800,000,000 of $1,000,000,000 deficit. Railroads seek increase in rates on bulk and heavy commodities.

Maritime Business Index Alone Records Increase

Electric Power, Bank Debits and Employment Placements Higher in April—Decline Moderate in Quebec and Prairies

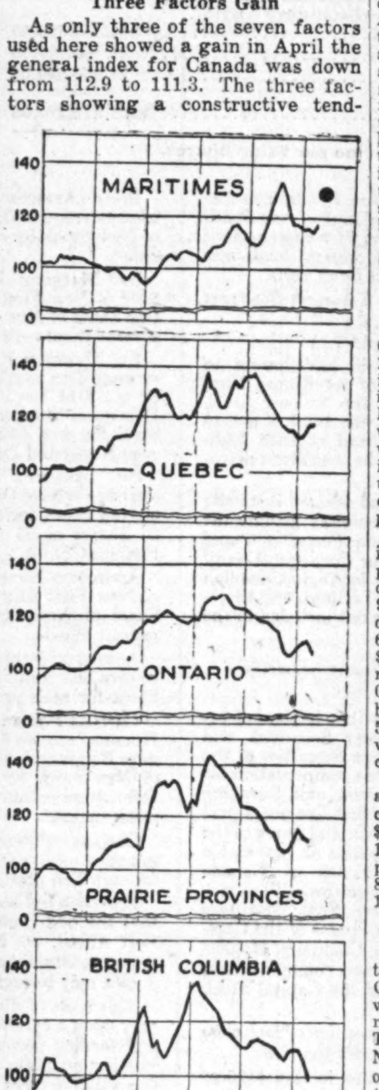
By SYDNEY B. SMITH

Surveying the business situation in the five economic areas during recent months, it is apparent that the seasonal impulse of the early spring was not of sufficient strength to translate itself into a cyclical upturn. The indexes of business activity showed recession for Canada as a whole and for each of the five economic areas, except the Maritime provinces. The indexes are based on seven signficant factors with adjustment for seasonal tendencies.

A moderate rebound was shown in the first quarter from the depressed levels of the latter part of 1930, but the recent compilation indicates that the improvement of the first three months was not extended in April. The reaction was rather marked in Ontario and British Columbia, while only moderate recession was shown in Quebec and the Prairie provinces.

Three Factors Gain

As only three of the seven factors used here showed a gain in April the general index for Canada was down from 112.9 to 111.3. The three factors showing a constructive tendency were electric output, bank debits and regular replacements by Government employment offices. The showing in the Maritime provinces was exceptional, gains being shown in building permits, electric output, sales of insurance and regular replacements. The index consequently moved up from 113.3 to 118.1 in April.



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The electric output and employment were the bright features in Quebec, while regular replacements were fully maintained. The index was 118.2 in April compared with 118.9. The seven factors relating to Ontario showed general recession in April, the index dropping from 109.7 to 105.6. Despite gains in construction contracts awarded, electric output, bank debits and sales of insurance, the business index for the Prairie provinces showed moderate recession from 111.0 to 110.6.

Three factors in British Columbia were more favorable in April. These included electric output, building permits and insurance sales. The decline in the index was from 102.5 to 99.5.

Employment Below Normal

Industrial employment before seasonal adjustment showed a gain in April, but the gain was considerably less than normal for the season. Employment in Canada on May 1 is normally 2.3 per cent below the average for the year while the standing on April 1 is normally 6 per cent below the average. It has thus been determined that the normal gain in April would be about 4 per cent. The gain this year did not measure up to seasonal expectations. Under the circumstances it is customary to say that employment declined after adjustment for seasonal tendencies. Aside from a moderate gain in Quebec employment after adjustment showed general decline in each of the five economic areas and consequently in Canada as a whole.

Bank debits occupy a prominent place among the statistical factors indicating the trend of Canadian business. Constituting the aggregate of all cheques cashed in the clearing house centres by the banks against individual accounts, the factor doubtless corresponds closely with the trend of financial transfers in the Dominion. The moderate gain in April was due to greater activity in the Prairie provinces. An early spring facilitated the grain movement and cheque payments were in much greater amount. Speculation in eastern cities was less active than in the preceding month and the deflated level of commodity and speculative prices also contributed to the poor showing in most economic areas.

The only factor of the seven considered here making a bright showing in April was the output of electric energy. Striking gains were reported in each of the economic areas except Ontario. The daily average output generated by water was 46,268,000 kw.h. in April compared with 44,903,000 kw.h. in the preceding month, a gain after seasonal adjustment of five per cent. Observing the several major developments now in process it is evident that more rapid expansion may be expected in the power industry than in any other line of similar importance. The long term expansion of the power industry is so rapid that a cyclical recession in the Dominion such as that in evidence since 1929 does not entirely counterbalance the normal growth.

CHEMICAL INDUSTRY HAD LOWER OUTPUT

Decline of 12 per cent in the value of Canada's total chemical production in 1930 as compared with the 1929 value is shown in a preliminary report of the industry just issued by the Dominion Bureau of Statistics. The output value was $122,266,852 in 1930 as compared with $138,545,221 in 1929. Production in 1930 however, was but slightly under the production value in 1928 and exceeded the average for the five years preceding.

A total of 590 plants were engaged in the industry during 1930 as compared with 557 plants in 1929 while capital employed increased to $169,982,605 from $165,886,912. Employees dropped in number to 15,464 from 16,694 and salaries and wages declined to $21,107,417 from $22,639,449. Cost of materials at works dropped to $49,013,269 from $55,184,337 value added by manufacturing is placed at $73,253,583 as against $83,360,884 in 1929. The value of production as shown above includes only commodities made for sale.

Canada's foreign trade in chemicals and allied products also showed a decline during 1930 and imports totalled $36,785,050 as compared with $40,131,178 in 1929 and $36,963,694 in 1928. Exports declined to $16,320,506 from $21,827,696 in 1929 and $18,356,645 in 1928.

May Close Sydney Blast Furnace

But one blast furnace is working at the Sydney plant of Dominion Steel & Coal Co. and unless a considerable volume of orders is received it is reported that this may be discontinued. The Wabana mines on Belle Island, Newfoundland, are stated to be assured of at least half-time operation during the remainder of the season.

BUILDING ACTIVE, AWARDS IN MAY TOTAL $36,895,700

Volume is 62.5 p.c. Increase Over April But Under 1930

Construction contracts awarded in May amounted to $36,895,700, an increase of 62.5 per cent over the previous month, according to MacLean Building Reports Ltd. In May, 1930, the awards totalled some $54,728,000, so that activity for the month just ended was some 14.3 per cent under the same month in 1930. Contracts awarded in the first five months of the current year are 28.3 per cent less than in the same period of 1930. As in previous years the activity in May was greater than in any previous month of the year.

Engineering contracts amounted to 34 per cent of the May volume with $12,557,900 awarded, residential construction continued active and amounted to $10,298,900 or 27.9 per cent of the total; business buildings amounted to $10,123,100 or 27.5 per cent and industrial building amounted to $3,915,800 or 10.6 per cent.

The proportion of the various classes of building contracts awarded in May during the past three years, follows:

Classes of Construction Contracts Awarded in May

	1931 $	1930 $	1929 $
Engineering.	12,557,900	18,383,400	16,692,100
Residential .	10,298,900	13,173,900	18,749,100
Business bldgs.	10,123,100	11,007,600	15,230,900
Industrial ..	3,915,800	4,297,000	14,187,600
Total for May	36,895,700	46,861,900	64,859,700

Contracts awarded in Quebec during May accounted for 38.2 per cent of the Dominion total for the month; during the first five months of the current year Quebec construction has amounted to 35.8 per cent of the total. Ontario provided 37.9 per cent of the May total and has the largest cumulative total for 1931 with 38.3 per cent of all construction to the end of May. The prairie provinces accounted for 13.3 per cent of the May total, British Columbia 5.9 per cent and the maritimes 4.7 per cent. Of the total of 1931 construction to the end of May the prairie provinces have accounted for 12.9 per cent, British Columbia 8.6 per cent and the maritimes 4.4 per cent.

The monthly totals of construction awards for the first five months of 1931, 1930 and 1929 are as follows:

	1931 $	1930 $	1929 $
Jan.	20,299,100	37,350,000	41,962,900
Feb.	25,930,100	28,464,400	28,425,800
Mar.	27,311,800	24,263,000	27,125,300
Apr.	22,707,500	48,778,600	43,328,200
May	36,895,700	46,861,900	64,859,700
Total ..	133,144,200	185,897,800	205,701,900

Business Briefs

Wheat Stocks on hand May 22, 1931, are reported at 140,896,108 bus. as compared with 146,082,871 bus. at May 15, 1931, and 195,356,813 bus. on May 23, 1930.

Car Loadings gained 1.35 p.c. in week ended May 23 due to increase in grain, lumber, pulpwood and miscellaneous shipments. Total of 51,173 cars is 11.6 p.c. under corresponding week in 1930. Cumulative total for 1931 to May 23 is 16.6 p.c. under same period of 1930. Grain, 18 p.c. greater than in 1930, is the only class of freight to show increase during 1931.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	Weekly Latest 1930	Cumulative Jan. 1, to date 1931	Cumulative Jan. 1, to date 1930
C. P. R. Gross Earn. (May 21) ..	$2,664,000	$3,314,000	$54,448,000	$64,328,000
C. N. R. Gross Earn. (May 21) .	$3,504,238	$4,214,848	$69,383,689	$84,256,692
Car Loadings (May 23)	51,173	57,884	1,006,423	1,205,097
Common Stock Index (May 14) ..	73.1	159.3	......	......
Production—	Monthly			
Pig Iron, tons (April)	53,792	72,339	192,889	304,600
Steel, tons (April)	91,461	102,681	331,037	441,980
Newsprint, tons (April)	205,838	228,048	740,118	832,851
Automobiles (April)	17,159	24,257	46,512	70,923
Boots and Shoes, pr. (Mar.)	1,729,930	1,594,865	3,991,819	4,274,796
Flour, bbls. (March)	1,168,408	1,219,202	3,290,063	3,438,320
Mineral Production—				
Gold, oz. (February)	195,118	145,436	397,903	299,550
Silver, oz. (February)	2,111,766	1,841,836	4,229,435	3,551,058
Nickel, tons (February)	3,346	3,867	6,597	8,481
Copper, tons (February)	11,485	12,113	22,415	24,581
Lead, tons (February)	9,663	15,930	23,958	27,545
Zinc, tons (February)	10,276	10,343	20,433	19,220
Coal, tons (February)	963,443	1,194,710	2,127,941	2,838,332
Natural gas, M. cu. ft.	2,976,140	3,178,862	6,176,140	7,067,379
Petroleum, bbls. (February)	155,651	89,961	335,362	190,457
Automobile Financing—				
Used Cars (March)	$1,651,551	$2,527,903	$4,378,455	$5,806,887
New Cars (March)	$1,889,192	$2,739,132	$3,719,748	$5,366,913
Construction—				
Building Permits (April)	$13,786,466	$16,978,076	$37,133,365	$46,471,338
Contracts (May)	$36,895,700	$46,861,900	$133,144,200	$185,897,800
Labor—				
Employment Index (May)	102.2	111.4	......	......
Trade—				
Imports (April)	$51,189,376	$71,401,839	$227,932,642	$350,011,903
Exports (April)	$33,935,075	$50,744,189	$177,473,837	$280,536,600
Imports of Key Products—				
Rubber, lbs. (April)	4,637,544	5,158,781	19,529,835	25,019,915
Cotton, lbs. (March)	10,837,000	10,327,000	26,378,000	28,626,000
Sugar, raw, lbs. (April)	41,059,000	29,468,600	162,437,100	133,320,800
Petroleum, crude, gal. (April)..	47,803,049	47,142,823	239,778,044	264,290,261
Coal, tons (April)	537,530	2,034,035	660,462	3,969,116
Exports of Key Products—				
Newsprint, tons (April)	152,360	159,802	650,503	748,030
Automobiles, No. (April)	1,172	3,271	7,716	16,856
Wheat, bus. (April)	4,680,769	3,428,406	37,581,991	26,747,762
Wheat flour, bbls. (April)	326,117	451,395	1,693,699	2,115,567
Electric Power—Output—				
M. Kilowatt hours (March)....	1,413,875	1,515,465	4,234,189	4,468,371
Population—				
Emigration (March)	606	4,115	2,151	11,353
Immigration (February)	2,413	14,576	5,322	21,905
Finance—				
Failures, No. (March)	178	201	606	667
Failures, Liabilities (March)...	$3,184,198	$4,310,085	$11,944,578	$17,091,691
Bank Debits (April)	$2,786,000,000	$3,082,000,000	$10,559,648,825	$12,200,488,109
Bond Sales (May)	$23,179,264	$100,996,711	$272,530,587	$292,677,324
Insurance sales (April)	$45,648,000	$52,708,000	$173,961,000	$195,322,000
Wholesale Prices (1926=100)—				
General Index (March)	75.1	91.8	......	......
Iron and its products	87.8	92.5	......	......
Cottons, raw	62.3	87.1	......	......
Grains	39.7	75.1	......	......
Live stock	81.1	127.6	......	......

Farm Machine Foreign Trade Shows Bad Drop

Detailed analysis of monthly imports and exports of farm implements and machinery are being reported by the Dominion Bureau of Statistics for the first time. Imports in April are valued at $622,747 of which $591,432 came from the United States, $4,276 from the United Kingdom and $27,039 from other countries. In the preceding month of March imports totalled $791,600 and in April, 1930, the total was $2,893,636.

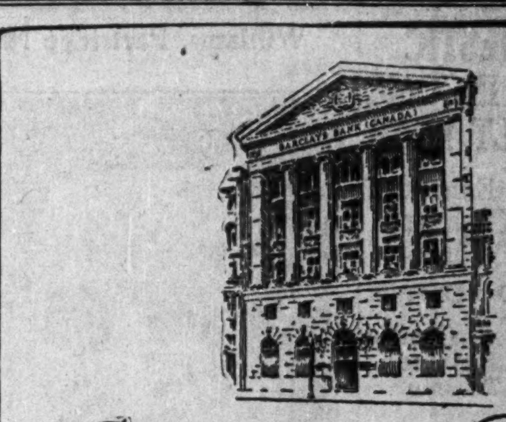
Exports during April amounted to $312,220, of which $115,303 went to the United States, $38,576 to the United Kingdom, and $158,341 to other countries. In March, 1931, exports totalled $377,802 while in April, 1930, the total was $800,005. Exports of reaper-threshers amounted to $48,331 in April as compared with $15,561 in March and none in 1930. Cultivators, garden and farm tools are items in which business is being maintained as compared with April, 1930. The most serious decreases are in harvesters and binders, mowing machines, drills, plows and parts, of agricultural implements and machines.

The total foreign trade in farm implements and machinery during April amounted to $934,967 as compared with $1,169,402 in March, 1931, and $3,773,641 in April, 1930.

Express Companies Lost Money in 1930

Gross earnings of Canadian express companies in 1930 dropped to $24,352,181 from $27,758,385 in 1929 and, after deductions for operating expenses and payments to carriers for privileges of transporting express matter, the five companies operating in this field had an operating deficit of $787,318 as compared with a net operating revenue of $679,782. The net operating revenue of $1,182,707 reported for 1928 was the largest since 1912.

Figures include those of Canadian Pacific Express Co., subsidiary of the C. P. R., Canadian National Express, British American Express, operating over the Algoma Central & Hudson Bay and the Algoma Eastern Railways, Railway Express agency, operating mainly over the Canadian lines of United States railways, and the express department of Northern Alberta Railways.



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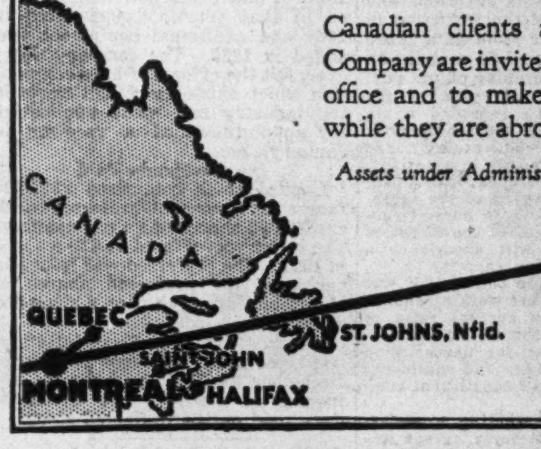

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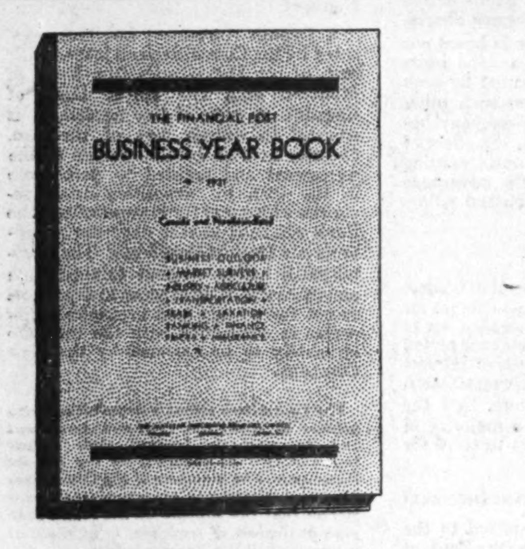

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ROGERS-MAJESTIC MAINTAINS INCOME IN DIFFICULT YEAR

Liquid Position Enhanced by Increasing Cash and Declining Payables

PRICE TREND DOWN

Majestic Sets For Canada Will Be Manufactured Completely in Toronto Plant

Total income of Rogers-Majestic Corp. for the year ending March 31, 1931, as presented at the annual meeting of shareholders on May 28, was $502,959 as against $533,957 in the preceding year. After deducting depreciation and bad debts reserves to a larger extent than in the preceding year, amount available for dividends was $3.10 a share on 115,355 no par value Class "A" shares and 10,194 Class "B" shares in 1931 as compared with $3.54 in the preceding fiscal period.

CONS. INCOME AND SURPLUS ACCOUNT
Years Ended March 31

	1931 $	1930 $
Net oper. profit	465,489	476,147
Add: Sundry income	37,470	57,810
Net income	502,959	533,957
Less: Deprec. & bad debts	85,207	55,065
Inc. tax reserve	27,374	34,000
Net profit	390,378	444,892
Less: Dividends	150,659	......
Total surplus	239,719	444,892
Less: Goodwill w/o	50,000	200,000
Incorp. exp. w/o	3,100	4,224
Net surplus	186,619	240,668
Add: Prev. surplus	815,779	575,111
Less: Prior year bonus	62,775	......
Invent. adjust., etc.	30,762	......
Balance carried forward	908,861	815,779

WORKING CAPITAL

	1931 $	1930 $	1929 $
Current assets	1,842,160	1,854,370	1,244,771
Current liabs.	166,533	234,981	196,600
Working capital	1,675,627	1,619,389	1,028,171
Ratio	11.06—1	7.89—1	6.33—1

Radio Set Prices Decline

The average price of radio sets during the past year has been about 25 per cent below the retail prices of 1929, necessitating an increased volume of sales of both Rogers and Majestic radio sets. To meet this condition, D. H. McDougall, president, reports that an arrangement has been made whereby Majestic sets for Canadian requirements will be manufactured completely in our Toronto plant so that the Canadian market will be more adequately supplied.

Liquid position improved materially during the year, current assets of $1,842,160 on March 31, 1931, being 13.24 times current liabilities of $139,159, as compared with current assets a year earlier of $1,854,370 which were 9.23 times current liabilities of $200,981. Cash advanced during the year from $392,808 to $573,065 while total of accounts and bills receivable and inventories was scaled down from $1,461,562 to $1,269,095.

Accounts and bills payable were also lowered during the year from $200,981 to $139,159 and income tax reserve from $34,000 to $27,374. As the income tax is not payable until April 30, 1932, the reserve of $27,374 is not included in current liabilities for the year ending March 31, 1931.

Receivables in Good Condition

The president, D. H. McDougall, states in the annual report that accounts receivable are in good condition and with the exception of some half a dozen dealers, principally in Western Canada, are of recent date. He adds that ample provision in the reserve for doubtful debts has been set up. Land, buildings and equipment, less depreciation, were up from $567,377 to $634,028. Depreciation reserve was increased from $106,175 to $158,061. Patents, etc., and premium on subsidiary shares, was written down from $930,227 to $874,101.

The president further remarked at the annual meeting that prospects for the coming year are "difficult to predict," and added:

Did Well With Midgets

"The present outlook is for even lower-priced sets than prevailed in 1930, necessitating a larger volume of sales and we have taken steps to meet this condition. With loyal dealers and satisfied users of our Rogers and Majestic sets throughout Canada we feel warranted in being optimistic that the company's earnings will continue to grow to the satisfaction of our shareholders.

"The annual report covering the company's balance sheet as of March 31, 1931, and its operation statement for the year ending on that date is before you, and I wish to point out that the past year has presented difficulties which make it in some respects outstanding in the history of this company and in the business world generally.

"The company's manufacturing record shows that annually we have produced new models of superior qualities to those of prior years. Consistent with this policy we designed and produced a new 1930 type with standard cabinet, which was at first well received by our dealers and the public. Before September, however, probably due to the greatly improved broadcasting by means of chain systems it was found that the public were demanding midget or mantel sets at much lower prices. Several of our competitors were already in the field with this new style, and in September our engineers designed and tested a new design of a midget set. The tests indicated many points of superiority to the others then in the market, and the set was placed in production and by hard work we succeeded in having them in our dealers' hands about December 1 in time for the Christmas trade. A favorable reception was immediately evident and our December sales were a record for that month. In all about 7,000 of these midget sets were sold between December 1, 1930, and March 31, 1931.

Will Manufacture in Toronto

"The market for higher priced goods was naturally slowed up and a survey of all sets sold during the year shows that list prices averaged about 25 per cent below the average of the previous year.

"Your directors have negotiated an arrangement with the Grigsby Grunow Company, of Chicago, whereby all Majestic sets sold in Canada will be completely manufactured in our Toronto plant. The shortage in our requirements for Majestic radio sets experienced last year will not recur.

"I am gratified to be able to say that the products of this company's factories have maintained their high quality and in our opinion, represent the most value per dollar of any sets sold in Canada. We are fully equipped with a modern plant and efficient staff, and feel every confidence in our ability to meet competition and to merit a large share of the radio business in Canada.

"Your directors elected G. Harrison Smith to a place on our board of directors. Mr. Smith is well known in the business world and his experience will be of value to the company."

Williams, Partridge Names Two New Directors

H. EVERETT DWYER,
who has been elected a director and manager of securities distribution for Williams, Partridge & Co., has been with that organization since 1926. Prior to that he was successively connected with the Employers Liability Co. and W. H. Dwyer, Ltd.

S. F. HAMILTON LANE,
who has been elected a director and appointed sales manager of Williams, Partridge & Co., joined the firm as salesman in 1928 and has been continuously active in the organization. Prior to his association with his present organization he was connected with Ogilvie Flour Mills Co.

ASSOC. BREWERIES DETAILS POSITION TO SHAREHOLDERS

Issues Comprehensive Statement Regarding Company's History

From Our Own Correspondent

MONTREAL.—A comprehensive letter dealing with the activities of Associated Breweries of Canada has been sent out to shareholders of the company. Details of physical and financial facts are detailed at some length and figures are given outlining the results obtained since the inception of the company.

It is pointed out that during the latter five months of 1928 the sum of $23.45 a share was earned on the preferred stock and $1.50 a share on the common. In the full year of 1929 earnings were equal to $57.21 a share on the preferred and $3.26 on the common. In 1930 results were $37.12 on the preferred and $1.89 on the common.

Earnings Lower in 1930

The decline in last year's earnings was accentuated by the fact that the company's markets were almost exclusively in the prairie provinces where purchasing power of customers was greatly reduced through lower returns from grain and grain products.

Dividend history is reviewed and mention is made of the reduction in payments last year from $2 a share to the current rate of $1 a share on the common. The circular points out:

"Such action on the part of the management may be regarded as in the interests of the shareholders, as present conservation of working funds should place the company in a position to take advantage of conditions which may arise for the benefit of the shareholders. With a return to normal conditions it is the belief of the directors that the company will experience a restoration of earning capacity."

Cash position at the end of 1930 was particularly strong, net working capital being $803,256 on a current ratio of about 25 to 1. In the meantime, adequate appropriations for depreciation on buildings, machinery and equipment have been made by all constituent companies.

The company's marketing organization is effective. In Alberta, except ginger ale and other carbonated beverages, its products are exclusively marketed by Distributors, Limited, a company formed in 1928 for distributing within the province malt beverages of all the Alberta breweries, those of the company's subsidiaries included.

Sales in Saskatchewan

In Saskatchewan, the Provincial Liquor Control Board is the sole distributor of all alcoholic beverages, and the company's sales are made to that body alone. In both provinces sales are on a strictly cash footing, thus eliminating bad debts, a condition that is highly gratifying, especially in times of financial stress.

Constituent companies, taken as a unit, have made satisfactory progress in securing an increasing proportion of total business available, the effect of which is expected to become noticeably evident with a return of improved economic conditions.

SELL LACHINE UNIT NAT. DISTILLERIES TO NEW COMPANY

Liquidator Negotiating For Disposal of Manitoba Plant

From Our Own Correspondent

MONTREAL.—Progress is being made in winding up the affairs of National Distilleries which went into liquidation in January, 1931. The Lachine property has been sold and negotiations are proceeding with a view to disposing of the distillery in St. Boniface, Man. It is understood that shareholders of the company will receive little or nothing.

The Lachine plant has been sold to a new company bearing the same name, having a capital stock of 100,000 shares of no par value. These shares may be issued for cash or its equivalent to an extent not exceeding $600,000.

Is Substantial Plant

The Lachine plant of National Distilleries has a storage capacity of 2,500,000 gallons and a productive capacity of around 8,000 gallons daily. The Manitoba unit has a capacity output of 2,000 gallons a day with a storage capacity of 500,000 gallons.

The old company was formed in 1927. Plant construction was started in that year and completed in 1928 and additional equipment was added in 1929. The company, however, felt the effects of keen competition which existed and still exists in the industry and made application for appointment of a receiver in January, 1931.

No Dividends Paid

Capital stock comprised $329,400 shares of 7 per cent preferred stock and 83,000 shares of no par common. The latter was offered at $20 a share in 1927. The preferred was issued in exchange for preferred shares of Manitoba Refinery Co. on a share for share basis.

The last available financial statement covered 13 months ended December 31, 1929, and showed net income of $59,647. No dividends were paid on the preferred stock.

Commercial Alcohols Had Loss Last Year

From Our Own Correspondent

MONTREAL.—Activities of Commercial Alcohols in the year ended March 31, 1931, are reported to have resulted in a loss due, largely, to a price-war that existed during the period. It is stated, however, that operations have shown an improvement since the beginning of the calendar year following an amicable settlement with a view to better prices.

The management is still following the policy of not making public its financial position though figures were given at the annual meeting and shareholders who so desire may obtain them from the company's offices.

The annual meeting was routine in character and directors were re-elected for the current year.

Investment House Sets Architectural Standard

Above photograph shows the entrance to the new Vancouver building of Nesbitt, Thomson & Co., Montreal investment bankers. The front of the building is faced with Haddington Island stone, and the ornamental work was executed in the original by a noted Vancouver sculptor.

INV. FOUNDATION EARNINGS LOWER IN PAST PERIOD

Covers Present Rate of Dividends on Preferred

From Our Own Correspondent

MONTREAL.—Gross revenue of Investment Foundation Ltd. in the fiscal year ended March 31, 1931, totalled $126,929 as compared with $150,447 in the previous year. After deduction of expenses, which were higher by about $7,000, there remained a net income of $102,555 as opposed to $132,955.

During the year $2,768 shares of preferred stock were redeemed. On the basis of the average number of preferred shares outstanding during the year earnings were equal to $2.55 a share. On the number of shares outstanding at the end of the year earnings were $2.58.

Earned Current Dividend

The preferred shares have a par value of $50. The original dividend rated of 6 per cent or $3 a share was cut in half in December, 1930, and at the end of the year the stock was $27,924 in arrears of dividends. Earnings on the 70,000 shares of no par common stock were equal to one cent a share.

Following is a comparison of profit and loss accounts for years ended March 31:

	1931	1930
Int. on call loans	$26,472	$92,412
Int. on bonds	10,032	2,630
Dividends	90,425	55,405
Net earnings	126,929	150,447
Less: Expenses	24,373	17,493
Income tax	3,840	......
Net profit	98,716	132,954
Less: Pfd. dividends	88,002	116,584
Surplus for year	10,714	16,370
Add: Prev. surplus	*9,093	
Balance forward	19,807	

*Adjusted.

Security Values Decline

After taking into consideration an investment reserve of $134,358 the market value of securities held showed a depreciation of $786,771 or 29 per cent from book value. The latter is carried in the balance sheet at $2,705,852 as compared with $2,471,560 at the end of the previous year.

Call loans are down from $733,000 to $350,000 and cash is at $15,706 as compared with $44,647. Accrued interest and dividends total $15,178.

In liabilities investment reserve has declined from $164,493 to $138,400. Dividends payable, reflecting redemption of preferred stock and reduction in the disbursement, total $13,962 as opposed to $30,000 last year. There is now outstanding $1,861,600 of preferred stock par value $50. Common stock is unchanged at 70,000 shares.

Remarks to Shareholders

A statement of the company's holdings at the end of the year is attached to the annual report; it reveals few changes. In his remarks to shareholders, H. C. Flood, president of the company said in part:

"At no time during the year was your company a borrower from banks, bankers or brokers. On the contrary, your directors have maintained a substantial reserve buying power in cash, call loans and short term Dominion of Canada 5½ per cent Victory bonds. On March 31, 1931, these items totalled over $500,000.

"The market quotations of your company's investments reflect the worldwide depression in business. Based on closing prices as at March 31, earning assets showed a depreciation of 25.66 per cent. In this connection we have observed published statements of some 27 representative Canadian and American (management) investment trusts which show an average depreciation on earning assets of 36 per cent. The statements referred to were for the period ending December 31, 1930, at which time security quotations were substantially higher than those prevailing March 31, 1931.

"The capital loss on certain securities sold was partially offset by a capital profit realized from the retirement of preferred shares, plus profit on securities sold. The net result reduced our investment reserve to $134,358, as compared with $164,492 March 31, 1930."

SURPLUS AFFECTS ANGLO-NORWEGIAN

Over Production Exists in the Whale Oil Output

From Our Own Correspondent

MONTREAL.—Overproduction in whale oil is a factor which may have a bearing on the outlook for Anglo-Norwegian Holdings Co. It is reported that there is a substantial surplus of oil at the present time and several companies have laid up ships until a better market exists.

Anglo-Norwegian Holdings controls three whaling organizations. Revenue is derived solely from interest and dividends received from these subsidiary companies. It is understood that the catch for the season just closed has been satisfactory; next season's operations may be influenced by the present state of overproduction in the industry as a whole.

Earnings Up Last Year

Earnings of the holding company in 1930 were satisfactory and total income showed an increase over the previous 9 month period of around $110,000 at $561,223. After all charges there remained a sum equal to 60 cents a share on the 420,000 shares of no par common stock.

These shares are listed on the Montreal Curb Market but trading is limited. A dividend of 25 cents a share was paid for the year ended December 31, 1930, to shareholders of record March 21, 1931.

Dominion Coal Hoist Best in Fifteen Years

From Our Own Correspondent

MONTREAL.—Production records have recently been established by Dominion Coal Co., subsidiary of Dominion Steel and Coal Co. Figures which have stood for the past fifteen years were broken when 20,148 tons were hoisted in one day from 10 pits of its Nova Scotia collieries.

The best output ever raised at the mines was in June, 1914, when a total of 20,668 tons were hoisted from the company's collieries in one day; this record has never been surpassed. The best previous record, now beaten, was 20,327 tons mined in 16 collieries in June, 1915.

It is pointed out that working on a six day week basis the mines would be capable of raising over 100,000 tons every week. Today most of the collieries are working only three and four shifts a week.

Polymet Co. Locates in Hamilton

The Polymet Company of Canada, Limited, a subsidiary of the Polymet Company of New York City, has taken a long term lease on a building having 20,000 square feet of floor space in Hamilton. It is the company's intention to employ upwards of 300 hands in the manufacture of electrical, radio automotive equipment.

SECURITIES PROTECTIVE COMMITTEE OF CANADA POWER & PAPER CORPORATION

1619 THE ROYAL BANK BUILDING
MONTREAL, QUE.

June 2nd, 1931

To the Holders of Securities and Shares of:

CANADA POWER & PAPER CORPORATION
THE ANTICOSTI CORPORATION
BELGO CANADIAN PAPER COMPANY, LIMITED
LAURENTIDE COMPANY, LIMITED
PORT ALFRED PULP & PAPER CORPORATION
ST. MAURICE VALLEY CORPORATION
WAYAGAMACK PULP & PAPER COMPANY, LIMITED

Present Position

The members of the Securities Protective Committee of Canada Power & Paper Corporation and the above-named constituent companies and representing investors who hold, in the aggregate, large amounts of all classes of securities and shares of these companies, have completed an intensive examination of the Corporation's affairs in the light of conditions now prevailing in the newsprint industry.

This examination has convinced the Committee that, under existing conditions and having regard to volume of newsprint consumption and selling prices, it will be impossible, for some time, to pay any interest or dividends to holders of any of the securities or shares of the above-named companies.

The whole system is severely handicapped by lack of working capital. The acquisition of capital assets, potentially valuable but at present non-productive, and the recent maturing of obligations assumed in that connection have very seriously depleted the current asset position and have produced an acute situation which must be promptly and effectively dealt with. Apart from other consequences it has become extremely difficult to finance ordinary manufacturing operations. The Committee is convinced, therefore, that the financial structure of the entire group must be radically revised. The burden of interest and dividend commitments must be drastically reduced. Fixed charges must be practically eliminated for a period of years and working capital must be built up.

The Committee has studied the respective positions of holders of each individual class of security concerned and has arrived at the unanimous conclusion that any separation which would involve liquidation of any constituent company would result in serious loss to the holders of that company's securities and would jeopardize the prospects of a sound reorganization.

The Plan

After carefully studying and considering all relevant factors, the Plan of Reorganization has been prepared. This Plan has been designed to meet the present difficult situation and to assure to each class of present security holders an equitable share in future earnings.

The Plan, briefly, is to form a New Company, with a capitalization of First Mortgage Bonds (including First Mortgage Sterling Debenture Stock) and one class of shares, which will take over the undertakings and assets of the above-named companies. The new Bonds and Debenture Stock will be on an income basis for five years. These new securities will be made available for exchange for the existing securities on the basis set out in the Plan. No new money is being asked for.

Reduction in Capital

The authorized capitalization of the New Company will consist of $100,000,000 First Mortgage Bonds, including First Mortgage Sterling Debenture Stock, and of 2,000,000 shares without par value. Of the Bonds, $65,000,000 will be authorized for immediate issue as 30-Year 5½% Bonds and Sterling Debenture Stock which will be on an income basis for five years but will bear fixed interest thereafter.

The issued capitalization of the New Company on the carrying out of the Plan will compare as follows with the existing capitalization:—

Present Capitalization, May 1, 1931
(Excluding Anglo)

*Bonds	$44,365,566.00
Debentures	35,466,700.00
Preferred	24,000,000.00
Total	$103,832,266.00

Common—1,521,750 no par value Shares.

Estimated Capitalization New Company
(Excluding Anglo)

*Bonds		$51,058,522.00
**Wayagamack News Co.	$1,431,774.00	
***Ha, Ha, Bay Co.	137,300.00	1,569,074.00
Total		$52,627,596.00

Capital Stock—1,547,141 no par value Shares.

**In addition to the above Bonds, a further $8,000,000 (approximately) of new Bonds will be issued in exchange for a like amount of Laurentide First Mortgage Bonds now pledged as collateral to Bank loans.*

***Guaranteed British Treasury, Bonds not exchanged.*

****Bonds not exchanged.*

The Committee will have power to sanction the issue of additional First Mortgage Bonds of the 30-Year 5½% issue, provided that the total is not to exceed $65,000,000, and of such additional Shares as may be considered necessary.

The Committee has deemed it unwise to have the New Company assume the obligations of Canada Power & Paper under the contract for the acquisition of a controlling interest in Anglo Canadian Pulp & Paper Mills, Limited, and therefore that company is not included in the present Plan.

Distribution to Present Security Holders

The Plan provides that holders of existing First Mortgage Securities will receive First Mortgage Securities of the New Company and, as compensation for loss of accrued interest and foregoing fixed interest for the first five years, will receive Shares of the Capital Stock of the New Company. Holders of Laurentide and Wayagamack Series of Canada Power & Paper Debentures will receive a percentage of new First Mortgage Bonds together with Shares of the Capital Stock of the New Company. Holders of existing preferred and common Shares will receive Shares of the Capital Stock of the New Company.

To summarize the position of each class of security holders under the Plan:

BELGO BONDHOLDERS receive $125 of New First Mortgage Bonds and One Share of New Stock for each $100 of present Bonds.

BELGO PREFERRED SHAREHOLDERS receive Three Shares of New Stock for each present Preferred Share.

WAYAGAMACK PULP & PAPER FIRST MORTGAGE BONDHOLDERS receive $125 of new First Mortgage Bonds and One Share of New Stock for each $100 of present Bonds.

PORT ALFRED BONDHOLDERS receive $100 of New First Mortgage Bonds and One Share of New Stock for each $100 of present Bonds.

PORT ALFRED FIRST MORTGAGE REGISTERED DEBENTURE STOCKHOLDERS receive £20 of New First Mortgage Sterling Debenture Stock and One Share of New Stock for each £20 of present First Mortgage Registered Debenture Stock.

PORT ALFRED PREFERRED SHAREHOLDERS receive One and one-half Shares of New Stock for each present Preferred Share.

ST. MAURICE BONDHOLDERS receive $100 of New First Mortgage Bonds and One Share of New Stock for each $100 of present Bonds—Series "A" or "B".

ST. MAURICE FIRST MORTGAGE REGISTERED DEBENTURE STOCKHOLDERS receive £20 of New First Mortgage Sterling Debenture Stock and One Share of New Stock for each £20 of present First Mortgage Registered Debenture Stock.

ST. MAURICE PREFERRED SHAREHOLDERS receive One and one-half Shares of New Stock for each $100, or for each 20 Shares of $5 (£1) each, of present Preferred Stock.

ANTICOSTI BONDHOLDERS receive $100 of New First Mortgage Bonds and One Share of New Stock for each $100 of present Bonds.

ANTICOSTI PREFERRED SHAREHOLDERS receive One and one-half Shares of New Stock for each present Preferred Share.

CANADA POWER & PAPER DEBENTURE HOLDERS receive $15 of New First Mortgage Bonds and One and one-half Shares of New Stock for each $100 of present Debentures—Laurentide or Wayagamack Series.

CANADA POWER & PAPER SHAREHOLDERS receive One Share of New Stock for each Ten present Shares.

Provision has been made in the Plan so that the odd Common Shares of Belgo, Port Alfred, St. Maurice and Wayagamack, outstanding in the hands of the public, may be exchanged for new Shares.

This scale of distribution is based not only upon a careful analysis of the assets and earning power represented by each existing security, but upon such other important factors as inter-company obligations (including leases), the effect of separation upon operating costs, existing newsprint contracts and the advantage of maintaining a well-established selling organization.

Management

The Committee recognizes that holders of securities who forego fixed charges for five years will expect assurance as to management, especially during the period in which their right to receive interest depends on earnings and current assets. The Plan provides, therefore, that the Committee will nominate a majority of the new Board of Directors to serve for five years.

Co-operation of Important Interests

The Plan has been submitted to the Bankers of the Corporation (the Bank of Montreal and The Royal Bank of Canada) who have expressed their willingness, if the reorganization Plan is carried out, to make banking arrangements with the New Company which the Committee considers will be satisfactory.

Holders of large amounts of all classes of the securities have assured the Committee that they will support the Plan.

Prospects

While it is not possible to forecast accurately the operating results of the New Company, the Committee believes that the Plan provides the foundation for success, first by creating a capital structure which will not involve burdensome fixed charges in the earlier years during which conditions will be most difficult, and secondly by permitting the accumulation of working capital.

The unknown factors in the situation include the percentage of mill capacities for which markets may be found and the prices which will prevail, but, given prices on any fair basis and assuming the fulfilment of existing newsprint contracts, the Committee feels warranted in expecting results which will be advantageous to those participating in the Plan.

The Committee believes that no group of properties in the newsprint industry will be better balanced for economic production or will possess more favorable prospects than the New Company, providing a reorganization is arranged along the lines indicated.

General

A Deposit Agreement has been executed by the Committee and lodged with each of the Depositaries (the Bank of Montreal and The Royal Bank of Canada). A copy of this Agreement is annexed to and is part of the Plan. Security holders become parties to the Agreement and entitled to participate in the Plan by depositing their securities with one of the Depositaries. The Bank will issue to each depositor an appropriate Deposit Certificate. The Committee is acting without compensation and there will be no expense to depositors except for postage and insurance. Expenses in connection with the Plan are ultimately to be assumed by the New Company.

The Committee strongly urges all security holders to study the Plan and Agreement and to promptly forward their securities endorsed as required, to the nearest Depositary. The members of the Committee have no hesitation in expressing their conviction that the support of the Plan by the prompt deposit of securities is in the best interests of all the security holders.

On behalf of the Committee:

CHAS. A. DUNNING, *Chairman.*

COMMITTEE:

HON. CHAS. A. DUNNING, P.C.
Chairman

R. H. COLLIS
of Kitcat & Aitken, London, England

NORMAN J. DAWES
President Montreal Board of Trade

H. D. LOCKHART GORDON, C.A.
Clarkson, Gordon, Dilworth, Guilfoyle & Nash, Toronto

STRACHAN JOHNSTON, K.C.
Tilley, Johnston, Thomson & Parmenter, Toronto

STEWART KILPATRICK
Govett, Sons & Co., London, England

E. A. MACNUTT
Treasurer Sun Life Assurance Company of Canada

JOHN J. RUDOLF
A. Iselin & Co., New York

GORDON W. SCOTT, C.A.
P. S. Ross & Sons, Montreal, Secretary
1619 The Royal Bank Building, Montreal

DEPOSITARIES:

BANK OF MONTREAL
THE ROYAL BANK OF CANADA

COUNSEL:

J. L. RALSTON, K.C.
Mitchell, Ralston, Kearney & Duquet, Montreal

Applications for copies of the Plan and the Deposit Agreement should be made to the Secretary or to the Depositaries

Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Switching to Bank Stocks

I hold some Dominion of Canada bonds, due 1934, on which I am entirely dependent for my income. I would like to sell these bonds while they are at a premium and re-investing the proceeds in stock of the Royal Bank and the Bank of Montreal. Do you consider that there is any danger of the dividend of either of these banks being reduced if the present depression were to last for any considerable time longer? Do these two banks issue quarterly or semi-annual statements?

You were advised in time to exchange your Victory Loan falling due in 1934 for a 4½ per cent Government bond which will give you a return of 5½ per cent on each $100 bond up to November 1, 1934, and 4½ per cent thereafter for from 15 to 25 years.

The dividends on the stock of the Bank of Montreal and of The Royal Bank are in both cases $12 regular dividend plus $2 bonus. The banks in past history have seldom retreated from a dividend position once established, and in general have hidden reserves to keep up the dividends in a year where earnings are not quite sufficient.

These are two of the largest Canadian banks, and there is good reason to suppose that they will increase in strength and earnings as time goes on. Naturally every Canadian bank has increasingly difficult problems in a time of depression such as this. If there was any lowering of dividends by Canadian banks it would probably take the form of dropping the bonus for a time and still continuing the regular dividend.

It is generally regarded as a good investment rule not to invest more than 20 per cent of a person's total capital in bank stocks because of the double liability which attaches to such shares in case of a bank failure.

The half-yearly statement of Bank of Montreal should be given some time in June. The Royal Bank issues only an annual statement some time in December. Balance sheet figures are supplied, however, monthly by the Department of Finance at Ottawa.

Canada Steamship

I would be much obliged if you would give me your opinion on the outlook for Canada Steamship Lines. I hold one of the company's bonds and am wondering whether I should sell it.

Canada Steamship Lines has faced difficult conditions in the past two years, due to the slow movement of wheat to market and the subsequent inactivity in lake traffic. The company is largely dependent on the movement of grain down the Great Lakes and any improvement in the wheat situation would find reflection in earnings. The outlook for the current year appears to be slightly improved though it is yet too early to make any forecasts as to the result of operations. Whether the bond should be held in an existing investment portfolio depends largely on the investor's present holdings, his financial position, and the price at which the bond was purchased. A sale today might entail considerable loss on the original investment. It might be well to defer any action until operations of the company during the current year give some indication as to ultimate results for 1931.

Canadian Celanese

Please be good enough to tell me whether a dividend has been paid on the preferred shares of Canadian Celanese Ltd. I hold some of the stock but have heard no official news of this.

A dividend of 3½ per cent on the preferred shares of Canadian Celanese was declared payable December 31, 1930, to shareholders of record December 15. This was the first payment made on the stock which was in arrears at the end of 1930 to the extent of $29.75 a share.

Fraser Companies

I hold some bonds of Fraser Companies. These were purchased at 102 some time ago. Will you be good enough to tell me the present market price, and if you think it advisable to take a loss on these bonds.

Our understanding is that plans are under way for the reorganization of Fraser Companies, which possibly may include some change in the position of the first mortgage bonds. As you know, the company suffered a large loss last year, its interest requirements are heavy and indications are that the capital structure will have to be pared down considerably if the company is to carry on operations. The bonds you hold are the first charge against the property and it might be well to await further developments before making a definite decision regarding a sale. There is virtually no market for the first mortgage bonds; we understand there is a nominal bid of around 34.

Canada Cement

I hold some Canada Cement Co. common shares which I bought at around 18. As a reader of The Financial Post, I would be much obliged if you would give me your opinion as to whether it would be more advisable to sell or to hold on to this stock.

Canada Cement Co. has made progress in recent years and earnings in the fiscal year ended November 30, 1930, were only slightly lower despite business conditions. After all deductions, which included provisions for various reserves and payment of preferred dividends, there remained a sum equal to 33 cents a share on the common stock. This compares with 36 cents a share in the previous period. The position of the common shares has been strengthened by the company's policy of ploughing back substantial sums into the property each year. Production facilities in all plants have been improved, new properties have been acquired and further expansion undertaken. All this has been done without recurrence to additional financing; the result has been to increase the equity back of the common stock. While the company's position as the largest factor in the Canadian cement industry, should enable it to benefit by an improvement in general constructional activity, lower prices for cement in some districts may find some reflection in earnings this year.

We are not able to give a definite opinion as to whether you should hold or sell your stock without a knowledge of your other investments and financial position. Much depends upon your ability to carry a non-dividend-paying security, or whether you can afford to take the loss in selling at current prices. Canada Cement Co. had a long and favorable record prior to the formation of the present organization in 1927; progress to date has been satisfactory, though the payment of a dividend on the common does not appear likely in the near future.

Burns and Co.

Would you be good enough to give me the earnings figures applicable to preferred dividends of Burns & Co. in 1930? Has the company improved its position this year to date?

Earnings of Burns & Co. in 1930 declined sharply, and after charges there remained $1,557 applicable to preferred dividend requirements of $312,531. Preferred dividends, as you know, were passed in January, 1931. It has been officially stated that gross sales in the first quarter of this year showed a decline as compared with 1930, but net results were slightly higher, partly due to rigid economies introduced.

Canadian Dutch Oils

I should be obliged if you would kindly give me your opinion on Canadian Dutch Oils, Limited, 7 Adelaide Street West, Toronto, $1 par common.

Canadian Dutch Oils, which has drilled several wells in Ontario and elsewhere, is not active at present. The stock is not listed, and there is no present demand observable. The prospects are nebulous.

Can. Gen. Insurance Agencies

I should like any information you have regarding Canadian General Insurance Agencies. In March, 1930, I was advised that this company had lost contracts previously held with certain insurance companies but that directors were considering some sort of re-organization. I received a notice of the annual meeting held on March 13, 1930, but have heard nothing since.

We are informed that there are about 60 shareholders of Canadian General Insurance Agencies holding a total of some $65,000 outstanding preferred stock. This is stated to be the only liability against the company which is under no present expense for rent.

The company, itself, has not been actively operating for some time owing to the fact that its agency contract with the Toronto General and the Canadian General Insurance Co. was cancelled when these companies decided to do away with agency contracts and to open branch offices instead. This took away the main business of the company and it was decided by A. B. Taylor & Co. to hold the assets of the company and collect accounts from agents throughout the country. Mr. Taylor states that the company has about $50,000 worth of securities and is conserving its assets until times get better, or pending arrangements for starting up business. If some promising contract with an insurance company to do general agency business can be arranged, the company will then start business again, and failing that, the assets will be distributed among shareholders. In any case, there would be some delay as a number of accounts have been placed in the hands of solicitors to collect.

The position, therefore, according to Mr. Taylor's account, is that the company is not earning any money at present nor spending any money. Meanwhile it is the intention of the company to conserve assets and collect accounts preparatory either to opening again if promising business develops or to liquidate the company and distribute assets among shareholders.

Mr. Taylor states that there have been two meetings of shareholders at which the situation was explained.

Canadian Dredge

I hold 150 shares of Canadian Dredge for which I paid $32 a share. This is all I have and I should like your opinion on the company and its prospects.

Earnings on the common stock of Canadian Dredge, for which you paid $32 a share, amounted to $3.74 in 1931 and to $4.13 a share in 1930 and to $6.37 a share in 1929. In the last two years the rate of dividend has been $3 a share. If it proves that earnings do not go any lower, the price which you paid can be considered amply justified by results. It will be noted that in the three years there was a declining return on the common stock.

The company has continued to do a fair business in spite of the business depression, and the president and general manager, D. S. Pratt, on May 2, 1931, at the annual meeting, stated that there was as much or more work on hand in 1931 as there was a year ago. The company is adding to plants and keeping up its equipment in good shape. Mr. Pratt expects this year a fairly active and profitable season. The working capital position of the company is good and, granted continued work on an adequate scale in each year, the common stock may prove profitable.

Canada Paving

I notice the preferred stock of Canada Paving & Supply Corp. and of Dufferin Paving & Crushed Stone are selling away below par especially Canada Paving which I notice is at a low of $45.

I would be glad if you could give me the current situation surrounding these two companies, with respect to work obtained this year. Can you say what amount each received from the department of public highways this season.

I am in a position to hold for a while, but would be pleased to have your advice as to whether to hold or sell. Both cost me par.

We presume that you hold the 7 per cent first preferred stock of Canada Paving & Supply Corp. Earnings on that stock in 1930 were $7.71 and in the previous year $10.39, while $7 is paid. On the 6 per cent preference stock there was only 86 cents a share earned, as compared with $5.42 in 1929. We have no data as to the volume of contracts held by the company, but it is understood to be fairly active around the Border Cities. As business becomes more active in that district it may redound to the benefit of the company.

The company's working capital position appears to be adequate, but it has banking loans of $399,100 which had been reduced during the year from $469,000. Accounts receivable are only half of what they were the previous year. The situation is fairly promising, though real and larger progress will have to be made by the company before shareholders can place entire confidence in the securities. The company has expanded into Quebec and expects to do fairly well in those operations. The company is well sponsored and the outlook hopeful for the long view.

Dufferin Paving & Crushed Stone earned $12.38 on the 7 per cent first preferred stock in 1930 and $20.08 in 1929 and $7.71 in 1930 on the 6 per cent second preferred stock and $20.24 in 1929. The company has shown a good earning position in the last three years and it has a strong working capital position with no bank loans. The company's prospects for 1931 are pretty intimately built up with the general prospects for the construction industry. Over the long view prospects are encouraging.

Rosedale Housing

I should be glad if you would advise me as to the present position of The Rosedale Housing Co., Ltd. We understand that this company was sponsored by McEacheran Bros. I hold a 20-year sinking fund 6½ per cent gold bond, dated January 15, 1927.

Rosedale Housing Co. Ltd. defaulted in the first payment in the creation of sinking fund to be met in January, 1931. Since that time there has been a meeting of bondholders held and a committee of bondholders has been appointed.

The 6½ per cent 20 year sinking fund gold bond issue, dated January 15, 1927, is secured by a floating charge on all the properties. The properties are all subject to prior encumbrances and there is default in the majority of cases on these prior encumbrances.

Most of the properties are revenue producing, but this, in itself, we understand, would not be sufficient to satisfy the bondholders. Doubtless you will have a letter from the committee explaining the situation when it is clear.

Ont. & West Shore Rlwy.

We would appreciate very much your opinion on Town of Goderich guaranteed 5 per cent bonds due 1938, issued by the Ontario & West Shore Railway.

Ontario & West Shore Railway 1938 five per cent bond issue is in a good position because of the guarantee of the town of Goderich. More than half of the amount has already been put aside as a sinking fund and there is no reason to doubt that the city can take care of the bonds at maturity.

Buying Common Stocks

I am 41 years old, without dependents, and hold a semi-permanent position. I have $8,000 invested in the Dominion Renewal Loan, maturing 1932, and also have shares of Lake of the Woods Milling Co., C. P. R., Imperial Oil, British American Oil, International Nickel and Montreal Light, Heat and Power.

Would it be good policy for me to sell my Dominion bonds and invest in some of the following: Famous Players, Canadian Canners second preferred, Steel Co. of Canada, Dominion Bridge Co., Moore Corp., Page-Hersey Tubes, Russell Motor preferred or Goodyear Tire & Rubber Co.? What is the relative position of these companies in their respective industries?

We advised you by letter while the opportunity was still open to convert your Renewal Loan 1932 into the Dominion of Canada Conversion Loan 4½ per cent at a rate which is somewhat above present market yield. This would give you a permanent investment for your $8,000 on an absolutely safe basis which would return you $360 yearly and the prospects are that over a term of years there would be many opportunities to sell this at a premium over the par value.

It is a good thing for an investor to keep a good foundation in Dominion Government or Provincial bonds in his investment holdings.

Famous Players Canadian Corp. is the leading company engaged in the distribution and exhibition of motion pictures in Canada. Operations of the parent company in the United States, Paramount Publix, have not been in recent months quite as remunerative as formerly. We do not know whether this trend will be followed in Canadian operations or not. On the long view the stock is promising though in the last decade this industry has proved itself subject to considerable slumps from time to time. If no considerable competition develops against the company in the chief centres of Canada, it should be able to continue to give a good account of itself.

Canadian Canners is the leading Canadian canning company. It has an exceedingly strong financial position, but it has found it necessary recently to reduce dividends on second preferred because the prices of a number of its products have gone down. It is in an excellent position to take advantage of reviving business and demand.

Steel of Canada is the leading company in its line in Canada. It, like others, is feeling the results of business depression at present, but it is in an excellent position to take advantage of any revival that comes and the conservative operation and management in the past make it able to stand depressions better than most.

Dominion Bridge is the leading construction company in Canada so far as bridges and other structural work are concerned. Naturally, its earnings are greatest in times of construction activity and it cannot be expected in 1931 to make as much as in such years. However, its history in the past has indicated that over a period those who own its shares have profited by the ownership.

Moore Corp. has good prospects on the long view. Earnings are apt to fluctuate with the activity of general business, but on the whole with good management and sponsorship it should give a good account of itself. The time to buy is after one sees the company's operations have felt the full effect of the business depression. After that one could expect recovery.

Page-Hersey's record in recent years has been an exceptionally fine one. It has improved its financial position progressively in each year and it is in good shape to take advantage of revival of business when it comes or to stand the depression while it lasts.

Russell Motor preferred stock has had a good history of dividend payments. Motor companies are finding harder times than for some years at present and this may continue until business revival is well on its way. Lacking periodic reports, the extent of earnings of this and other companies in 1931 and 1932 is uncertain and, therefore, such a purchase would be better in a time when recovery is well under way.

Goodyear Tire & Rubber Co. is the leading company in its industry in Canada. It is experiencing lower earnings at present because of the business depression and especially because of the slump in motor car production. However, replacement business is a large item in its total and with the continued good management and policies of the past future progress of the company is on the long view considered very promising by its own officials and directors. Their faith is justified by accomplishments to date.

Abitibi Power & Paper

I hold 10 shares of Abitibi common purchased at $82 a share. Do you consider this stock has a chance to come back at all within the next ten years or is the company over capitalized to such an extent that the common stock is practically worthless?

The earnings in 1930 on your common stock were 47 cents a share. This year it is generally expected that nothing will be shown on the common at all, and so long as newsprint companies are working only at about 60 per cent of capacity the possibility of earnings on junior securities is not bright. There will have to be reviving demand at least so that companies will be able to manufacture nearly to capacity before the situation is righted.

Abitibi was not considered to be over capitalized at the prices obtaining a few years ago. The price of newsprint is less than half what it was ten years ago.

When Women Invest

A WEEKLY FEATURE

Ford "A" For a Woman

I see that Ford "A" common stock is selling today (June 1) at 15⅝. I am a woman of 30 years of age. I hold a position which looks after my current needs and allows me to save some money. I have $1,500 which I can afford to invest in a good common stock which has good chances for a hold of two or three years even if dividends might be dropped for a year. I don't think the dividend will be stopped because even in 1930 the dividend of $1.20 on each share annually was earned with what looks to me like a good amount to spare. I know that you cannot say beforehand just what the company will earn but if there is no alarming reason to fear a considerable drop in earnings of the company I would like to take a chance. Do you think this stock as good as any for a long hold? Should I wait for lower quotations? If I did wait, is there any danger that I would have to pay more later?

While we cannot say what will happen in two or three years, it is difficult to feel anything but confidence in the long-term growth of a company which has since its formation made more than 1,000,000 cars in Canada, and which except for two or three years has had a conspicuous growth in current and fixed assets while making disbursements on a very generous scale to its shareholders in most years.

At present, world demand and Canadian demand especially for the company's product is much lower than its ability to supply. In other words, when business conditions improve the company is in a position to make more cars than it is doing and therefore increase its earnings materially. If prices and demand fall further, earnings would drop temporarily.

We do not anticipate that the near future will see such record disbursements as the company made in years before competition became strenuous. It has paid cash dividends as high as 110 per cent in a single year and stock dividends as high as 600 per cent. Since the change-over from the old model Fords the company earned in 1929 $3.15 a share, the highest under the new conditions. In 1930 it earned only $1.90 a share but in a year when automobile production generally fell quite low this was regarded as very good.

Even in 1931 results were to be considerably worse than in 1930 the company is still in a very strong position. It can improve its present models from year to year and continue its policy of continually giving better value at a lower price or it can change over to some other model embodying in design and performance other characteristics than any yet shown. There is always the incalculable element in the affairs of a company like Ford of Canada. It will have first call on whatever invention and research arrives at under the Ford aegis, and naturally it must encounter whatever strides forward in motor car construction and motivation are made by other companies. It has never been asleep at the switch in the past, and it is a good speculation that it will be alert to all that is happening or likely to happen in the future.

The company had $24,000,000 in current assets at the end of 1930 and current liabilities of only $1,325,309. Most of this is in cash and securities easily changed into cash. Its valuable patents are shown at only $1 and its inventories were low. The rate of production this year indicates an intention on the part of the company to keep inventories down to an easily handled volume.

We cannot give a date for the peak of the next prosperity period but during the period of revival and the better times which may follow Ford of Canada may give an excellent account of itself. It sells throughout the British Empire except in England. If Canada, Australia, South Africa, New Zealand are to grow in prosperity and population when the present strenuous times are surmounted, Ford of Canada seems to be in a strategic position to take advantage of this favoring situation. The use of automobiles, busses and tractors is apparently destined to increase rather than fall away over a long period. It has therefore these two trends in its favor.

On the other hand, the immediate future for general business is clouded even though business is visibly seeking for more solid foundations. The incalculable elements in the situation may work out favorably for the company or the reverse. If other companies steal a march by new models or methods, its adaptability will enable it to recover lost ground in a reasonable period of time if its past record is any criterion.

Can. Wirebound Boxes

As a young man who is banking $25 monthly for investment purposes only, I would like to know the present position of Union Natural Gas and Canadian Wirebound Boxes Ltd., from the standpoint of a prospective investor.

Canadian Wirebound Boxes, it is expected, will show net earnings for the fiscal year ending April 30, 1931, of about $200,000 as compared with $261,008 in 1930 and $273,527 in 1929. In the preceding year depreciation, income tax and other write-offs reduced the net earnings until the net profit was $199,125 from which $20,000 was sent to special surplus account and $133,264 paid in class "A" dividends.

The company will not need so much for class "A" dividends in the future as in the past. At the end of the fiscal year ending April 30, 1930, dividends were paid on 90,000 shares at the rate of $1.50 per annum. However, the company had its letters patent amended, and under the new provisions the company has been able to buy in about 20,000 shares so that now dividends only have to be paid on 70,000 shares. On this number only $105,000 will be necessary in order to keep up the $1.50 a share dividends. This would also enable the company to keep write-offs close to the 1930 figure and higher than the 1929 figure and still be able to pay the class "B" dividends of $1 a share.

This would allow another write-off, or rather another addition to special surplus accounts which, at the end of the previous year, stood at $43,000. It has been the company's intention to set aside 10 per cent of its net profit after depreciation and income tax until $500,000 has been accumulated. When this is done it is the intention to maintain the surplus at that amount. Apparently on that basis an addition of about $14,000 might be required for the latest fiscal year.

It is hardly likely that the annual report will be ready before the last week in June. At the annual meeting in July, if it is called at the same time as last year, considerable interest will be displayed by shareholders in the results of operation of the corrugated box plant which was installed in the new portion of the Toronto plant about August 1, 1930.

Union Natural Gas has just cut the common stock to the basis of $1 a share per annum, but its prospects may be considered to be improved by the reported end of the gas war with the Dominion Natural Gas Co. Working capital of the company is a little defective, but its general prospects over a long period are quite encouraging at present.

Farm Vehicles

Can you furnish me with any information on the Kennedy Spring Wheel Mfg. Co. Ltd., which is reported to have sold out to Farm Vehicles Limited.

Farm Vehicles Co. is simply Kennedy Spring Wheel Manufacturing Co. under another name. Kennedy Spring Wheel was sold to Farm Vehicles Co. for $175,000 worth of stock in it, and those who had not paid up in Kennedy Spring Wheel Manufacturing Co. were urged to pay up and exchange. There has been no change in prospects because of the change in name. The company has been selling shares for a long time, but these shares have no marketability outside of sales made by salesmen. Shares in the buggy and waggon business are not very attractive in the automobile age.

Interpreting the News

A few minutes every Monday morning keeps readers of the Greenshields Weekly Review informed on outstanding financial and commercial developments in the Dominion, with particular reference to their bearing on Canadian security values.

We shall be pleased to send the Weekly Review to any institutional or private investor.

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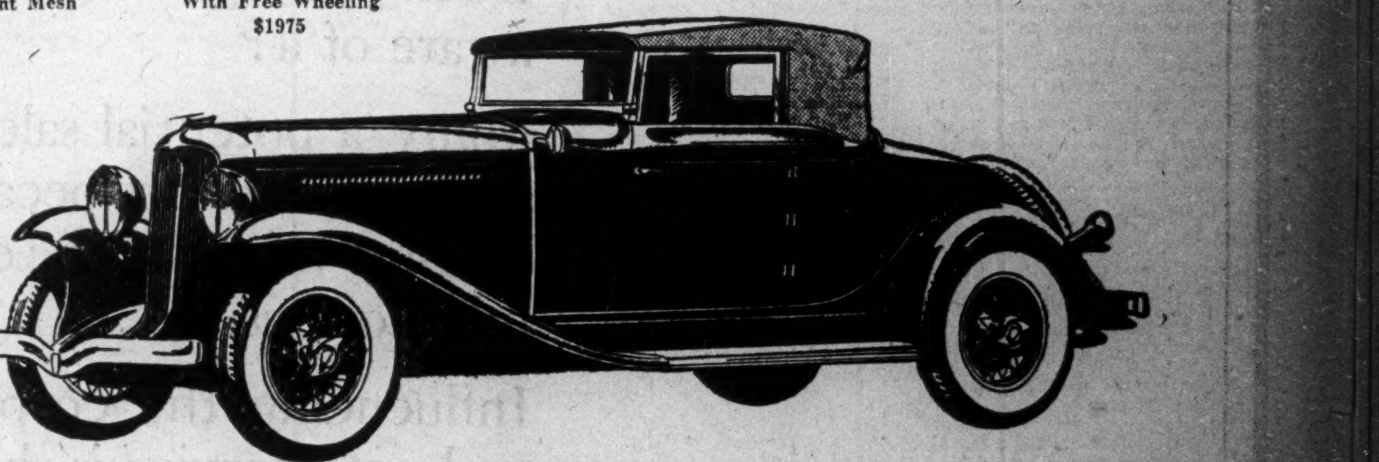
WHEN REMITTING SEND ☞ MONEY ORDERS
CANADIAN NATIONAL EXPRESS

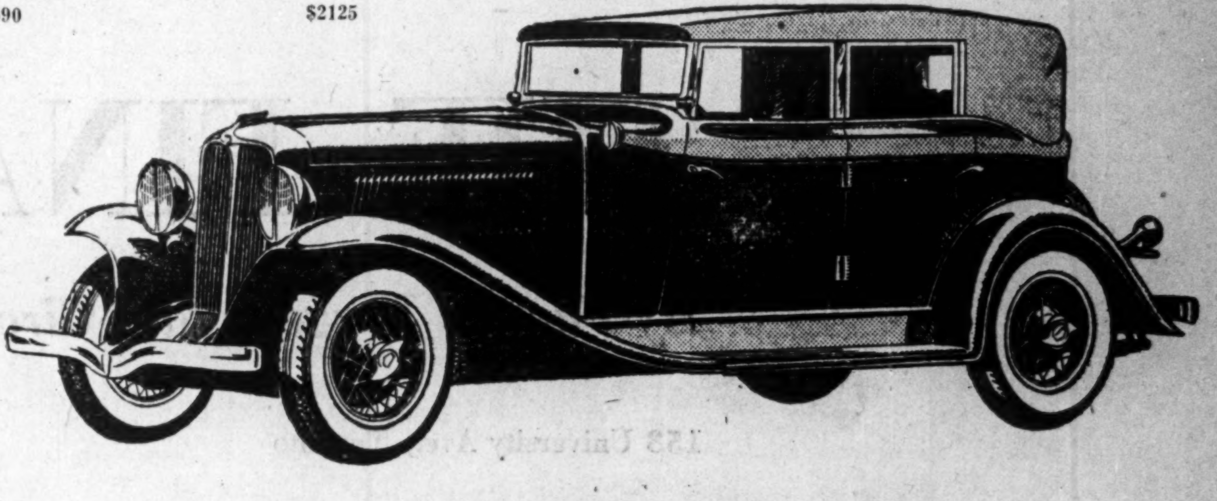
CONVERTIBLE CABRIOLET
Standard Models With Silent-Constant Mesh $1545
Custom Models With Free Wheeling $1975



AUBURN
Convertible Models

Smart, distinctive, original. Convertible cars adaptable to every situation; completely closed, or completely open, or top down and windows up. In addition to the attractive convertible advantages, these cars have reinforced and insulated bodies; improved, rattle-proof windows; ample leg and head room; unusually comfortable upholstery; windshield may be folded down. All these features in addition to 127" wheelbase; 98 H.P. Straight Eight Lycoming motor, X-member frame; automatic chassis lubrication; Silent Mesh transmission; and more than 100 other advantages, some of them found in no other car. The Custom Models have improved L.G.S. Free Wheeling; control lever enables you to have Free Wheeling completely, or positive gear, as you wish; an exclusive Auburn feature.

CONVERTIBLE PHAETON SEDAN
Standard Models With Silent-Constant Mesh $1690
Custom Models With Free Wheeling $2125



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CANADIAN LIST PRICES. Freight to be added.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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MEDIUM INCOMES IF FROM SALARIES HIT IN NEW TAX

Small Incomes, Millionaires and Investors Save Some

TAX ON FOREIGNERS

Outside Investors in Canada Will Be Soaked on Dividends Received From Here

Taxation of 2 per cent on dividends paid by Canadian corporations to shareholders living in other countries is not expected materially to affect the ownership of Canadian stocks outside the country. The money paid in Canada, in most instances, will be a deduction from revenues of foreign governments.

The United States, and most other countries, exempts citizens and other residents from double taxation on income received outside the country of residence. Thus, if a United States resident normally was paying taxes on the basis of 4 per cent and on a portion of his income the Canadian government was taxing 2 per cent, the United States government would abate the tax to the extent of 2 per cent on that portion of his income derived from and taxed by the country of origin.

No Wholesale Liquidation

In such circumstances, the existence of a Canadian tax on dividends paid to shareholders in other countries is not expected to lead to any wholesale liquidation of Canadian stocks by holders outside the country, although, in the case of small holders, the Canadian 2 per cent tax may be in excess of the taxation on the individual in the United States.

How It Hits Some

The total of foreign holdings of Canadian stocks, and the amount of dividends paid in other countries is difficult to calculate. The total must be substantial and the revenue may be considerable.

Only about 20 per cent of the $335,000,000 of ordinary stock of the Canadian Pacific Railway is held in Canada. A majority of the stock of International Nickel Co. is held in the United States and Great Britain. Standard Oil of New Jersey, which is credited with holding 18,800,000 shares or slightly over 70 per cent of the stock of Imperial Oil, Ltd. Based on Imperial Oil's present dividend rate of 50 cents per annum, Standard of New Jersey collects annually $9,400,000, or $2,350,000 quarterly, which amount is subject to the new tax, and which will mean $188,000 annually, or $47,000 quarterly to the country's coffers. Imperial Oil, Ltd., must deduct the tax for remittance to the treasury, before making the dividend disbursement.

Up Goes Corporate Tax

Other changes in the income tax will also have interesting results financially. The Government has apparently abandoned as unworkable the previous attempts to control the formation of personal and family corporations designed for the evasion of income tax payments.

The increase in corporation tax from eight to ten per cent brings this tax back to where it was after the war and brings it closer also to United States level of 12 per cent. It will be noted that the tax will apply on 1930 income.

Some Dividend Exemption

Investors in stocks will be delighted that some at least a half step has been taken in the direction of removing the inequitable double taxation of their dividends. Two years ago, Hon. J. A. Robb, when minister of finance, ruled that dividends should be taxable in full although the profits from which the dividends were paid had already been taxed through the corporation tax. Now investors will be permitted to exemption on dividends but the exemption is limited to half of a person's taxable income and in no case is the exemption to amount to more than $10,000. The exemption is not quite as simple as that for it is to be applied in successive stages of $500 for each bracket of income tax rate from one per cent up. For the first 1,000 of income $500 of dividend exemption may be claimed; then the tax rate jumps to next higher bracket and $500 more may be deducted; and so on until the whole of the dividends up to $10,000 have been deducted. Thus the man with exactly $20,000 income of which $10,000 is dividends will not be able to calculate his tax on the basis of the tax brackets up to $10,000 but rather he must calculate his tax on the brackets up to the full $20,000 and then divide the total by two.

A man with a taxable income of $10,000 of which $5,000 is derived from dividends will have been paying $449 tax under the rates now in force. He will now pay $275. If he had been permitted to deduct the $5,000 exemption in one lump from his income instead of in successive lumps he would be paying only $150 under the new rate.

Tax on Redemptions

Newspaper despatches have interpreted one of the new income tax provisions as a blow at mergers and recapitalizations. This is the clause providing that when a company is bought out or merged and its undistributed income is capitalized by redeemable securities that the securities shall be taxed as income when redeemed. Rather the new amendment is designed merely to stem a certain type of evasion, and it does not seem to be designed to effect any injury to legitimate financial operations.

The new tax rates are not all reductions. The small man saves by having a larger exemption granted to him and by having his initial two per cent less 20 per cent tax cut to one per cent flat. Men with taxable incomes in excess of about $150,000 will save considerably. But those with incomes roughly between $10,000 and $25,000 will pay more.

Some typical incomes with a comparison of the old rate and the new may be cited. In each case it is assumed that the income is of a married person.

The first table shows an income derived other than from dividends and the second table shows incomes in which the fullest amount possible has been claimed as exemption from dividends.

Some Typical New Rates

Total Inc.*	Old Tax	New Tax	Change
$3,000	$ None	$ None	None
4,000	16	5	— $11
5,000	32	20	— 12
10,000	232	245	+ 13
15,000	632	720	+ 88
25,000	2,024	2,520	+ 496
50,000	6.832	8,725	+1,893
100,000	19,352	21,225	+1,873

Tax Where Maximum Dividend Exemption is Claimed

Total Income*	Old Tax	New Tax	Change
$3,000	None	None	None
4,000	$16	$2.50	—$13.50
5,000	32	10	— 22.
10,000	232	122.50	—109.50
15,000	632	360	—270
25,000	2,024	1,420	—604
50,000	6,832	7,625	+793
100,000	19,352	20,125	+773

*Before allowing exemptions.

How to Figure Your New Income Tax

This also shows if you pay more or less than before

First take net income after allowances for expenses, carrying charges, donations, etc. Then deduct $1,500 exemption for unmarried persons and $3,500 for heads of families, etc. Tax may then be figured out from following table.

Net Taxable Income	HOW TO FIGURE TAX ON TAXABLE INCOMES		Net Tax Payable	Former Tax
Not over $1,000	Take 1% of income.	Tax on $ 1,000=$	10	$ 16
$ 1,000 to $ 2,000	Take tax on $ 1,000 or $ 10. Add 2% of excess.	Tax on $ 2,000=$	30	$ 32
2,000 to 3,000	Take tax on 2,000 or 30. Add 3% of excess.	Tax on $ 3,000=$	60	$ 56
3,000 to 4,000	Take tax on 3,000 or 60. Add 4% of excess.	Tax on $ 4,000=$	100	$ 88
4,000 to 5,000	Take tax on 4,000 or 100. Add 5% of excess.	Tax on $ 5,000=$	150	$ 128
5,000 to 6,000	Take tax on 5,000 or 150. Add 6% of excess.	Tax on $ 6,000=$	210	$ 176
6,000 to 7,000	Take tax on 6,000 or 210. Add 7% of excess.	Tax on $ 7,000=$	280	$ 232
7,000 to 8,000	Take tax on 7,000 or 280. Add 8% of excess.	Tax on $ 8,000=$	360	$ 296
8,000 to 9,000	Take tax on 8,000 or 360. Add 9% of excess.	Tax on $ 9,000=$	450	$ 368
9,000 to 10,000	Take tax on 9,000 or 450. Add 10% of excess.	Tax on $ 10,000=$	550	$ 448
10,000 to 11,000	Take tax on 10,000 or 550. Add 11% of excess.	Tax on $ 11,000=$	660	$ 536
11,000 to 12,000	Take tax on 11,000 or 660. Add 12% of excess.	Tax on $ 12,000=$	780	$ 632
12,000 to 13,000	Take tax on 12,000 or 780. Add 13% of excess.	Tax on $ 13,000=$	910	$ 732
13,000 to 14,000	Take tax on 13,000 or 910. Add 14% of excess.	Tax on $ 14,000=$	1,050	$ 848
14,000 to 15,000	Take tax on 14,000 or 1,050. Add 15% of excess.	Tax on $ 15,000=$	1,200	$ 968
15,000 to 16,000	Take tax on 15,000 or 1,200. Add 16% of excess.	Tax on $ 16,000=$	1,360	$ 1,096
16,000 to 17,000	Take tax on 16,000 or 1,360. Add 17% of excess.	Tax on $ 17,000=$	1,530	$ 1,232
17,000 to 18,000	Take tax on 17,000 or 1,530. Add 18% of excess.	Tax on $ 18,000=$	1,710	$ 1,376
18,000 to 19,000	Take tax on 18,000 or 1,710. Add 19% of excess.	Tax on $ 19,000=$	1,900	$ 1,528
19,000 to 20,000	Take tax on 19,000 or 1,900. Add 20% of excess.	Tax on $ 20,000=$	2,100	$ 1,688
20,000 to 21,000	Take tax on 20,000 or 2,200. Add 21% of excess.	Tax on $ 21,000=$	2,310	$ 1,856
21,000 to 22,000	Take tax on 21,000 or 2,410. Add 22% of excess.	Tax on $ 22,000=$	2,530	$ 2,024
22,000 to 23,000	Take tax on 22,000 or 2,630. Add 23% of excess.	Tax on $ 23,000=$	2,760	$ 2,192
23,000 to 24,000	Take tax on 23,000 or 2,860. Add 24% of excess.	Tax on $ 24,000=$	3,000	$ 2,360
24,000 upwards	Take tax on 24,000 or 3,100. Add 25% of excess.	Tax on $ 25,000=$	3,250	$ 2,528
		Tax on $ 50,000=$	9,500	$ 7,328
		Tax on $ 100,000=$	22,000	$ 19,928
		Tax on $ 500,000=$	122,000	$164,128
		Tax on $1,000,000=$	247,000	$414,128

MAXIMUM EXEMPTIONS FOR DIVIDENDS

On $ 1,000 of income maximum exemption is	$ 500.	Maximum saving	$ 5
On 2,000 of income maximum exemption is	1,000.	Maximum saving	15
On 3,000 of income maximum exemption is	1,500.	Maximum saving	30
On 4,000 of income maximum exemption is	2,000.	Maximum saving	50
On 5,000 of income maximum exemption is	2,500.	Maximum saving	75
On 6,000 of income maximum exemption is	3,000.	Maximum saving	105
On 7,000 of income maximum exemption is	3,500.	Maximum saving	140
On 8,000 of income maximum exemption is	4,000.	Maximum saving	180
On 9,000 of income maximum exemption is	4,500.	Maximum saving	225
On 10,000 of income maximum exemption is	5,000.	Maximum saving	275
On 11,000 of income maximum exemption is	5,500.	Maximum saving	330
On 12,000 of income maximum exemption is	6,000.	Maximum saving	390
On 13,000 of income maximum exemption is	6,500.	Maximum saving	455
On 14,000 of income maximum exemption is	7,000.	Maximum saving	525
On 15,000 of income maximum exemption is	7,500.	Maximum saving	600
On 16,000 of income maximum exemption is	8,000.	Maximum saving	680
On 17,000 of income maximum exemption is	8,500.	Maximum saving	765
On 18,000 of income maximum exemption is	9,000.	Maximum saving	855
On 19,000 of income maximum exemption is	9,500.	Maximum saving	950
On 20,000 of income maximum exemption is	10,000.	Maximum saving	1,050

No further exemption allowed for dividends.

SOME CANADIANS CRITICIZE PLAN OF INTER. UTILITIES

Say Too Much Power Rests With Chandler & Co. as Sponsors

Certain Canadian shareholders of International Utilities Corp. complain to The Financial Post that insufficient notice has been given them of the new plan for reconstructing the stock structure of the company. They feel that details given were not sufficiently clear to enable them to come to a decision as to whether or not the proposed exchange of stocks would be beneficial or not. The meeting to decide on the plan was called for this week in Baltimore.

Briefly, the plan redesignates the preferred stock as prior preferred stock and a new preferred stock junior to the prior preferred and senior to the Class "A" stock is created. The outstanding preferred stock is to be converted into prior preference initial series, with same dividend rates, redemption prices. This can then be exchanged for prior preferred second series and one share Class "B," preferences in liquidation and voting powers.

Prior preferred second series has a dividend of $3.50 a share, is callable at $52.50 and is preferred in liquidation up to $50 a share. Though restrictions of old stock are retained in prior preferred initial series with respect to its relation to "net assets" and "net earnings," no such restrictions obtain with regard to the second series. The sinking fund for the initial series is changed from the original fixed annual provision of $2.50 a share and 20 per cent of net earnings available for dividends on the Class "B" stock to a fixed annual provision of $10 a share, less such shares as may be converted.

Callable Rights in Question

Each share of the Class "A" stock is convertible into preferred on the basis of two shares preferred initial series and one quarter of a share of Class "B" for 90 days.

One criticism by a Class "A" shareholder is that it establishes a prior preferred issue of considerable proportions before Class "A" stock with large powers of issuing further prior preferred for purposes not explained. Some Class "B" shareholders also fear that the plan may prove unfavorable to their ultimate position with respect to future earnings.

It is stated that conversion of the initial series of prior preferred into the second series would mean that the callable feature of $115 as at present would be reduced to the equivalent of $105 and that the extra share of Class "B" stock may possibly not be sufficient compensation.

On the Class "A" stock converted the callable feature drops from $60 to $53 with one-quarter of a share of Class "B" stock offered in compensation.

The line-up of International Utilities shares will be as follows if there is 100 per cent conversion:

Prior preferred (paying $3.50 per annum), authorized 600,000 shares with 64,326 shares outstanding;

Preferred (paying $1.75 a share per annum) authorized 1,000,000 shares, to be outstanding 309,416 shares;

Class "B" stock, authorized 1,345,292 shares with more than 700,000 shares to be outstanding.

The management would thus have more than 535,000 prior preferred shares to offer the public and some 690,000 preferred shares to be issued for payment of public utility stocks to be acquired.

One shareholder thinks that the exact relation of Chandler & Co. to International Utilities Corp., and its interest in salaries of officials and commissions for purchases should be disclosed for the benefit of shareholders in view of the evident intention to sell large blocks of the prior preferred and the new preferred. He feels that so far as conduct of International Utilities Corp. is concerned, the two companies for practical purposes have become almost one. Therefore he feels that information on both is a right which should be given to shareholders.

Cheque Stamp Tax Now Same as 1915

This week's change in the cheque stamp tax brings Canada back to the 1915 status when this impost was first created. The new tax abolishes the exemption which formerly applied to cheques of $10 or under, and provides for a straight 2 cent tax on all cheques, money orders, travellers' cheques or post-office money orders. No date has been set as yet for bringing the new amendment into force.

It will be remembered that from 1915 to 1922 there was a 2 cent cheque stamp tax on all cheques which was increased to a sliding scale with a $2 maximum on cheques of $5,000 or more, in 1922. In 1923 the maximum tax was reduced to $1 and in 1925 the tax was abolished on all cheques under $5. In 1927 the sliding scale was abolished and cheques for $10 or under were exempted.

Sherritt, Hudson Bay May Stop Producing

Persistent rumors that Sherritt-Gordon and Hudson Bay Mining & Smelting Co. are suspending operations find some basis of probability in further reductions in the price of copper.

The Copper Exporters Inc., in New York, announced on June 1 that domestic copper had been reduced to 8½ cents per pound and the foreign price would be 8.775 cents C.I.F. European ports. At such prices copper is below the cost of production of most of the producers. While neither Sherritt-Gordon nor Hudson Bay Mining & Smelting have had a chance to demonstrate what their costs will be, it is highly probable that under present prices they are operating at a loss.

At the annual meeting, shareholders of Sherritt-Gordon were informed that so long as copper remained at 9 cents per pound operations could continue. Now that the price has broken through this figure it seems probable the inevitable result will be the closing down of these two Northern Manitoba producers.

NEW COAL DUTIES PLEASE MARITIMES, SAYS C.M.A. HEAD

But Loss of Protection on Kippers is Deplored

From Our Own Correspondent

SAINT JOHN, N.B.—A. N. McLean, chairman of the Maritime Branch of the Canadian Manufacturer's Association, when interviewed by a representative of The Financial Post as to the effect of the Budget on Maritime industry, made the following statement:

"With regard to the subsidy granted our coal producers, we think it is a step in the right direction. It will greatly help our coal operating companies to overcome the disadvantage which they have to pay in order to reach the markets of Central Canada. It is to be hoped the subsidy granted and the increase in duty will enable our mines to compete successfully for the markets of Ontario and Quebec and that a much larger tonnage of coal will move out of the Maritimes in that direction than has been the case in the past.

Herring Item Dropped

"However another feature of the budget seems to be very unfavorable to the Maritime fishing industry as we notice the specific duty on kippered herrings is being dropped, this product being eliminated from the tariff.

"We have many hundreds of thousands of tons of herring along our shores, awaiting a market. Herring used to be marketed to a large extent by preserving them in salted kegs and smoking them and putting them in boxes, but owing to a change in living conditions our people are not using nearly as much salt and smoked herring as used to be consumed in the past, and this market has fallen off very substantially. However, the market for canned herring has steadily increased.

"About a year ago strong representations were made to Ottawa and the clause applying a specific duty against kippered herring and like products was made effective. Since then a large amount of money has been spent by the canners in developing this branch of the industry and considerable success has been achieved. The specific duty on kippered herring was reaffirmed in the tariff revision last September. This further stimulated the industry and the market for our maritime herring was increased and gave promise of a development of large proportions, the price of the domestic product having been lowered considerably since the new classification was applied.

"Now, to eliminate the specific duty and to get back to a much lower ad valorem duty, which has been tried out and proved effective, would simply put us back where we started from and will hand the market over to Continental Europe, where the price of labor and fish is much lower than it is in Canada. This will be rather a hard blow to our fishermen along the southern shore of New Brunswick, as it will shorten the packing season considerably.

Deplore N. Z. Action

"When we have an abundance of raw material here and there are those who are willing to invest their money in developing a market for our fish products, it is very discouraging for those who get behind such an understanding to find that their hopes are crushed by a change in tariff, which only benefits foreign exporters. If the tariff is to apply equally all over Canada, then we in the Maritimes are entitled to adequate protection for our manufacturers who are developing a great basic industry.

"The loss of our preferential market in New Zealand will also adversely affect our fishing industry, as a considerable export business has been developed since our treaty with New Zealand came into effect and it is to be hoped the treaty will be renewed with as little delay as possible.

"The fifty per cent sales tax exemption which has been granted the last few years on certain foods which are used daily by our people in general was of substantial benefit to the people of the Maritimes. As they are large importers of food stuffs from other parts of Canada and it is to be hoped that the exemptions which have been established in the past will still continue."

HIGHER FUEL DUTY TO INCREASE COST IN MINE INDUSTRY

Nickel and Copper Refineries Affected; Feldspar is Helped

The Bennett budget just brought down carried with it very little that favors Ontario mining, and its increase in the general tariff on coal is not regarded as favorable by mining men in Ontario.

The increase in the general tariff on bituminous coal from 50 to 75 cents per ton and a duty of $1 per ton on coke is welcomed particularly by the Nova Scotia producers, but to Ontario it means increased costs. The Northern mining areas depend on United States coal. But it is pointed out that Noranda mines now buys all its coal from Nova Scotia.

Port Colborne Affected

The imposing of $1 per ton on coke hits the metallurgical plants, particularly the International Nickel refinery at Port Colborne, Ont. The Ontario Refining Co. at Sudbury uses charcoal briquettes that formerly carried an ad valorem duty of 17½ per cent. The new tariff increases this to $7.50 per ton.

May Help Feldspar Plant

There have been no increases in duties on specified mining machinery, but items 427, 446A and 711 cover items not otherwise classified and much of the machinery employed in mining will come under this heading, which has been increased to a general tariff of 35 per cent.

The only mineral mentioned in the new budget which will affect Ontario producers, is an increase in the general tariff on ground feldspar from 15 to 30 per cent. Ontario has but one plant grinding feldspar, but it faces keen competition from the large United States producers. The increase will assist this industry and it is believed the importation of the United States product will be effectively curbed, and enable an expansion in the industry in Ontario.

Wabana Iron Shipments Under Last Year's Mark

From Our Own Correspondent

MONTREAL. — Iron ore shipments from Wabana are increasing slowly compared with previous seasons. By the end of the third week in May, only 100,000 tons had been shipped. Up to May 20th last year, 105,946 tons had been shipped, of which 71,405 tons went to Rotterdam, 22,921 tons to Sydney and 11,620 tons to the United States.

It is understood that the present summer will see the first cargo sent to England for the new Ford works at Dagenham. While the beginning will be necessarily small, this market may develop in coming years into large orders.

Retiring C. M. A. Head Alarmed at Growth Of Social Legislation

Manufacturers Hold Annual Meet at Victoria This Week

MEMBERSHIP LOWER

Standing Committees Review Activities of Previous Year's Work at Sixtieth Conclave

A warning against social legislation that marches too far ahead of the normal development of the country was made by Elmer Davis, retiring president of the Canadian Manufacturers' Association at the 60th annual convention held at Victoria this week. Mr. Davis drew attention to the crushing burden of taxation which now faces Great Britain and warned manufacturers that while the object of social legislation was undoubtedly worthy it was a very live question as to just how much of this a country could stand and still remain solvent.

Mr. Davis referred to a recent report of the Federation of British Industries which points out that annual expenditures on social legislation in Great Britain increased from £63,000,000 in 1911 to £395,000,000 at the present time, and that although comparative figures were not available for Canada, he believed a similar situation existed here.

Conditions Made Worse

"The Federation does not discuss the merits of this type of legislation, but merely says that industry cannot continue indefinitely to bear the extra taxes created by such legislation. It points out that the stoppage of industry or the reduction of its output by carrying burdens that are too heavy for it, inflicts a great hardship on employees, who lost their jobs, and on the investors who lose their money. As a result, conditions are made worse instead of better by social legislation which marches too quickly ahead of the normal development of the country.

"We believe the same situation exists in Canada, though fortunately it is not so acute. The motives behind such legislation are usually commendable. It is a worthy object to try to reduce the total of human trouble and to provide better housing, better clothing, better food, more security from death, accident, illness and other evils. That is not in dispute at all. The real question is how much can the country spend and remain solvent. The kernel of the problem is this—the able-bodied people who are employed in a country and who are, roughly speaking, between the ages of twenty and sixty, have to carry all the others, including the old, the young, the unemployed, the sick and the afflicted. If the burden on this

(Continued on page 12)

Budget in Effect On Following Dates

Tariff changes, announced by Prime Minister Bennett, and unless otherwise stated, are in effect from June 1. The new sales tax rate is also in force from June 1.

The new rate of corporation income tax is retroactive to 1930.

Amendments to the law relating to personal income tax apply only to next year's payments on this year's earnings.

The new postage tax becomes operative on July 1.

The insurance tax will take effect on October 31.

The change in the stamp tax on cheques will take effect on a date to be decided, but likely on July 1.

New customs duty on magazines becomes effective July 1, prior to which date decisions as to exemptions can be made.

St. Maurice Bondholders Lose Interest Payment

From Our Own Correspondent

MONTREAL.—Holders of St. Maurice Valley Corp. bonds have been officially informed that the half yearly interest due on June 1 will not be paid owing to the difficult situation in the newsprint industry. At present the company has outstanding $8,836,225 of series "A" and $2,000,000 of series "B" bonds, a total of $10,836,225.

St. Maurice Valley Corp. is a subsidiary of Canada Power and Paper, for which company a reorganization plan is announced this week. The scheme takes into consideration the bonds of St. Maurice Valley Corp.

Jamaica Public Service April Earnings Lower

From Our Own Correspondent

MONTREAL.—Jamaica Public Service Ltd. and subsidiary companies report gross earnings of $68,968 and net revenue of $28,572 for April last. This compares with the gross income of $70,756 and a net profit of $28,788 for the same month last year.

For the twelve months ended April, 1931, gross operating revenue totalled $845,748 and net income $354,638. After paying all charges there was a surplus of $245,330. For the preceding twelve months' period, gross income totalled $798,580 and net operating revenue $324,147. Surplus after charges totalled $249,499.

MANY INDUSTRIES TO FEEL EFFECT OF NEW TARIFFS

Half Dozen Major Industries Affected With General Taxes Higher

MANY NEW ITEMS

Changes Cover 200 Items With Motors, Coal, Construction, Leather, Publishing, Steel Affected

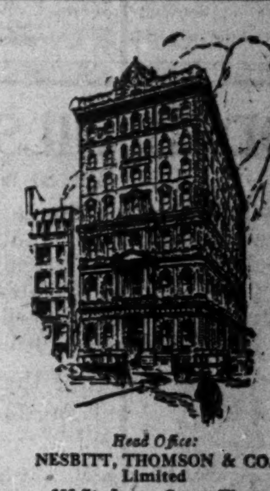
Added protection against imports for some half dozen leading industries and higher taxes for the rank and file of business corporations are contained in the Bennett budget brought down in Ottawa this week. The industries chiefly affected by the new tariff schedules which embrace approximately 200 items, are: automobile; leather; iron and steel; coal mining; construction and publishing. Other smaller groups such as clock and watch makers, containers manufacturers, garden seed firms and tea merchants are also affected. In only a few cases has the British preference been changed, practically all revisions being in the general and intermediate groups. Further strength is given the dumping law by providing that transportation, sales and distribution costs may be added to the fixed value for valuation purposes.

Higher taxes will be felt through a change in sales tax from 1 to 4 per cent; and an additional sales impost of 1 per cent on all goods imported into Canada payable by the importer or transferee who takes the goods out of bond for consumption. The only changes in the method of collecting the sales tax are that all wholesalers (with certain exemptions) will hereafter be required to be licensed under the act and to account for the rate of tax imposed on sales, and that all articles now paying only 50 per cent of the sales tax must hereafter pay the full tax.

Automobiles

Drastic changes affecting this industry are planned. Previously there were only two customs groupings the division being as between cars valued either above or below the $1,200 mark. The basis of computing value is retail value at place of production, when new, with standard equipment. Now there are three groups: first cars valued at $1,200 or less; secondly, cars valued at from $1,201 to $2,100; and third, cars valued at over $2,000. Duties on the first class are unchanged, while in the second

(Continued on page 12)



Confidence

A Letter to Our Clients and Other Investors in Canada

Head Office:
NESBITT, THOMSON & CO.
Limited
355 St. James Street West
Montreal

SINCE 1867, the year of Confederation, Canada has passed through a number of periods of business and financial depression. These have been of varying intensity and duration, but in every instance the nation has emerged stronger than ever before.

Canada is to-day as fundamentally sound as ever and is in as strong a position as any country in the world. The inherent strength of our economic structure will enable us to lead the world in a vigorous revival.

Past records show that in the depth of a depression men always look on their economic adversities as more serious than those ever faced by any other previous generation.

To-day, confidence and courage are Canada's greatest need. A review of Canada's position, of its enormous natural resources, of its steady but amazing growth over the past 50 years, cannot fail to inspire Canadians with the true vision that has always been a characteristic of our people.

We do not know, nor have we ever known in advance when depression will pass, or what industries will lead the way. We do feel, however, that as the pendulum swung to one extreme in 1929, it is swinging to the other extreme in wrongly interpreting business conditions to-day. That the coming months, slowly at first, but with greater decisiveness later on, will mark the advent of revival, is a conclusion as certain of realization as any conclusion can be in economic science.

What greater demonstration of faith of a people in their own country, and what greater evidence of the fact that money for investment in legitimate enterprise is available in this country, could be provided than the success of the recent Dominion Government conversion loan.

It is our firm conviction that the future holds great promise and will bring rich rewards to those who have confidence in Canada, and who display that confidence by investing to-day in the securities of those Companies which are basically essential to a nation's progress.

NESBITT, THOMSON
and Company Limited
Royal Bank Building, TORONTO
Montreal Quebec Ottawa Hamilton London, Ont.
Winnipeg Saskatoon Calgary Victoria Vancouver

923

DIVIDEND NOTICES

THE SHAWINIGAN WATER AND POWER COMPANY

Notice is hereby given that a dividend of sixty-two cents (.62c.) per share has been declared on the no par value common shares of the Company for the quarter ending June 30th, payable July 10th, to shareholders of record June 15th, 1931.

By Order of the Board,
JAMES WILSON,
Secretary.
Montreal, May 28, 1931.

QUEBEC POWER COMPANY

Notice is hereby given that a dividend of sixty-two and one-half cents (.62½c.) per share has been declared on the no par value common shares of the Company for the quarter ending June 30th, payable July 15th, to shareholders of record June 25th, 1931.

By Order of the Board,
JAMES WILSON,
Secretary.
Montreal, May 28, 1931.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1931.

Notice is also hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1931.

The above Dividends are payable on Thursday, the 2nd day of July, 1931, to Shareholders of record at the close of business Monday, the 15th day of June, 1931.

By Order of the Board.
MERVYN OFFER,
Secretary.
Montreal, 21st May, 1931.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"A" PREFERRED

A quarterly dividend at the rate of 7% per annum, on the Class "A" Preferred Stock of this Corporation, for the quarter ending June 30th, 1931, has been declared; payable July 1st, 1931, to Shareholders on record at the close of business on June 12th, 1931.

"B" PREFERRED

A quarterly dividend at the rate of 6% per annum, on the Class "B" Preferred stock of this Corporation, for the quarter ending June 30th, 1931, has been declared; payable July 1st, 1931, to shareholders on record at the close of business on June 12th, 1931.

COMMON AND ORDINARY SHARES

The Board of Directors has declared a quarterly dividend of 25c. per share on the Common and Ordinary Stock of this Corporation, for the quarter ending June 30th, 1931, payable July 1st, 1931, to shareholders on record at the close of business on June 12th, 1931.

By Order of the Board.
JAMES D. GOOD,
Secretary Treasurer.
London, Ontario, June 2nd, 1931.

DIVIDEND NOTICES

United Securities Limited

Notice is hereby given that a dividend of Fifty cents (.50c.) per share has been declared on the outstanding common shares of the Company for the quarter ending June 30th, payable July 15th, to shareholders of record June 23rd, 1931.

By Order of the Board,
JAMES WILSON,
Secretary-Treasurer.
Montreal, June 1st, 1931.

DIVIDEND NUMBER 215

Hollinger Consolidated Gold Mines, Limited

A dividend of 1% on the outstanding Capital Stock of the Company has been declared payable on the 17th day of June, 1931, on which date cheques will be mailed to shareholders of record at the close of business on the 3rd day of June, 1931.

Dated the 27th day of May, 1931.
I. McIVOR,
Assistant-Treasurer.

PIONEER GOLD MINES OF B.C. LIMITED N.P.L.

Notice is hereby given that a dividend if three (3c.) cents per share (being at the rate of 12% per annum) on the paid up capital stock of the Company has been declared for the quarter ending 30th June, 1931, payable July 2nd, 1931, to shareholders of record at the close of business on June 12th, 1931.

By Order of the Board.
A. E. BULL,
Secretary-Treasurer.
Vancouver, B.C., May 30th, 1931.

The Ontario Loan and Debenture Company

176th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 per cent for the current Quarter ending 30th June, 1931 (being at the rate of 12 per cent per annum), has been declared on the paid-up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 2nd July, 1931, to Shareholders of record of the 15th June, 1931.

By Order of the Board,
T. H. MAIN, Manager.
London, Canada, 27th May, 1931.

Hydro-Electric Securities Corporation

COMMON STOCK DIVIDEND

Notice is hereby given that a dividend of Thirty-five cents (35c.) per share on the outstanding common shares of this Corporation has been declared, payable 19th June, 1931, to shareholders of record at the close of business 3rd June, 1931.

By order of the Board,
A. H. LANG,
Secretary.
Montreal, 1st June, 1931.

MODEL OILS LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of three cents per share for the quarter ending June 15th, 1931, has been declared on the issued Capital Stock of this Company, and will be payable on and after the 20th day of June, 1931, to Shareholders of record at the close of business on the 10th day of June, 1931.

By Order of the Board
T. W. McKEE,
Secretary-Treasurer

Dated at Calgary, Alberta, May 27th, 1931.

NOTE: The transfer books of this Company will be closed at 5 P.M. on Wednesday, June 10th, 1931, and will be re-opened on Monday, June 22nd, 1931, at the registered office of the company, 7 Cameron Block, Calgary, Alberta.

Transfer Charge is 35c for each new certificate.

PAVING THE WAY!

BECAUSE of its ability to tell your story in a logical and convincing manner, carefully planned sales literature provides a broad and strong reinforcement to your advertising and sales plans.

It is personal in character and establishes an intimate contact, so essential in the making of sales.

The Direct Advertising and Printing Division of MacLean's has complete facilities for the preparation and production of all classes of sales literature, including catalogues, booklets, broadsides, folders, display material, etc.

This Division is equipped to give 100% service — Analysis — Plan — Copy — Design — Art — Printing — Mailing.

Direct Advertising & Printing Division
The MacLean Publishing Company Limited
153 University Avenue - - Toronto

BRAZILIAN RUMORS STATE MORATORIUM BEING CONSIDERED

Sir Otto Niemeyer's Recommendations Are Expected Soon

Though Brazilian Traction common stock has fallen below 13 because of current pessimism with regard to the exchange value in dollars and cents of the milreis, there has recently been evident more than ordinary resistance to decline in the milreis because of expectation that the report and recommendations of Sir Otto Niemeyer, financial adviser to the Brazilian Government, will soon be made public.

Persistent stories come from Brazil that the report will recommend a moratorium of two years on Brazilian National and State foreign obligations together with the creation of a central bank of issue patterned after the Federal Reserve Board of the United States but with foreign representatives sitting on the board of directors until the country's indebtedness to foreign lenders is once more being serviced regularly and without difficulty.

As Sir Otto Niemeyer was lent to the Brazilian Government by the Bank of England, it is hardly likely that he will report a moratorium unless he feels it to be absolutely necessary and that such measures will in the end be best for the foreign-held bonds. Such a moratorium might be very helpful to the exchange value of the milreis for a time as one of the principal reasons for the drop in the milreis was the constant necessity under which the Brazilian Government labored of buying foreign funds to meet interest and sinking fund payments.

Stoppage of payments for two years on Government bonds does not mean that the Brazilian Government would permit Brazilian Traction to pay dividends in cash, but if exchange recovers and business gradually picks up in Brazil, the really strong financial position of the company would enable it to take good advantage of these facts.

MONTREAL AREA DRAWS INDUSTRIES

Industrial Commission Secures Three New Plants

From Our Own Correspondent

MONTREAL.—Three new industries will establish in the Montreal area, according to an announcement by J. B. Baillargeon, Industrial Commissioner of the city of Montreal. Two are United States firms, one of which comes as a subsidiary of a Canadian company, and the other is an Eastern Townships industry which is extending its market by opening up a Montreal factory.

Since January 1, the Industrial Commission offices have received upwards of fifty enquiries, mostly from the United States, in regard to possible establishment of new industries in Montreal, Mr. Baillargeon declared.

TEMPLARS PLAN TO MERGE UNIT WITH FORESTERS

Temperance Fraternal Has Membership of Nearly Five Thousand

Executive council meetings of the Royal Templars of Temperance held in Toronto and Hamilton this week voted in favor of merging that society with the Independent Irder of Foresters of Toronto. The head office of the Templars is at Hamilton, Ontario and the order consists of a membership of about 5,000 of which 2,300 are holders of insurance or mortuary certificates; 1,000 hold sick benefit certificates and the remainder are social members holding no insurance tie in the society. The organization consists of total abstainers and was founded in 1854. It was incorporated under its present charter in 1885.

For some time it has been known that this order, with head office at Hamilton, had been contemplating reinsuring its members with another organization and it is understood that offers had been made by several regular "line" insurance companies. The present proposal, however has been approved by provincial insurance authorities at Toronto under which the Templars are licensed and it is believed has also been approved by G. D. Finlayson at Ottawa.

Membership Shows Decrease

The insurance fund of the society as at December 31, 1930, amounted to $1,091,138. No figures of insurance in force at that date are available but according to the provincial government abstract, insurance in force on members amounted to $2,743,500 as at the end of 1929 as compared with $3,117,750 at the same date in 1928. Insurance membership at the end of 1929 was given as 2,549 as compared with 2,864 the previous year. At present the insurance fund membership is placed at about 2,300. The insurance fund of the order is said to be in a thoroughly sound condition but the organization's general funds have been depleted through falling off in membership in recent years.

The Independent Order of Foresters is the outstanding fraternal organization in Canada and one of the most important in the world. It has a membership of over 140,000 situated in all parts of the world, and a total insurance of $130,000,000. In addition there are 27,000 members who hold sickness and accident benefit certificates in the order. If acquisition of the Royal Templars is finally approved and ratified the total assets of the I.O.F. will amount to over $43,000,000.

At least thirty days must elapse following formal ratification of the merger plan by the various bodies concerned, during which time any member may enter protest against the proceedings.

G. A. Stimson Officials Are Sent to Penitentiary

Fred G. Johnston, President, Given Three-Year Term, Clark Two Years, Six Months, and Thomas Two Years—Wilful Misstatements of Fact

Officials of G. A. Stimson Co., whose conduct of affairs of that and numerous subsidiary companies was made the subject of continuous criticism by The Financial Post for years, were given terms on June 1 by Justice Sedgewick, for publishing false prospectuses.

Fred G. Johnston, president, was sentenced to three years in Portsmouth penitentiary, Lawrence E. Clark, vice-president, to two years and six months in the penitentiary, and H. H. Thomas, secretary-treasurer, to two years less one day at the jail farm. All three were found not guilty on the charge of conspiring to defraud. The two counts against Fred G. Johnston of issuing false statements and the five charges of theft are left over until next fall assizes.

In his address to the jury Justice Sedgewick said that in his opinion there was evidence of conspiracy among the three men. There was as wilful a misstatement of fact as it was possible to make in the circular letter when it was written that there were no mortgages when in fact there was a mortgage of $850,000.

"The three men agreed beforehand how they were going to handle this situation and they agreed as they went along," said the judge. "You don't need any of the people who paid part of that $2,600,000 to the Stimson Company for the Canadian Development Co. to come along and say they paid. The fact remains that the company sold the bonds, received the money, but only sent a cheque to the Development Company, which was no better than an I.O.U. It was not cashed. The cash remained with the Stimson Company, and was used for another enterprise.

"The prospectus was put out to induce people to become shareholders. Now, were there any false statements in that prospectus? I am telling you that there is evidence that enables you to find there were false statements."

Defence counsel, A. G. Slaght, argued that the address to the jury stressed too hard for the conviction and that none of the facts for the defence were placed before the jury. No investor had been called to show that he had lost anything and assignments were not always followed by ultimate loss. Trustee Clarkson had had the books of the company for five months but no evidence had been brought forward by the Crown as to assets or loss. Johnston had aided Clarkson as far as he could and had personally guaranteed and procured to be paid some $500,000 in debts. His Lordship finally added this to his charge to the jury.

The jury met for two and a half hours before bringing in a verdict of guilty. Sentence was later passed. The verdict followed a five-day examination of a financial structure in which millions had been invested by people all over Canada. The principal testimony was given by W. J. Dow, former secretary-treasurer, who stated that the Stimson Development Co. had through its brokers, G. A. Stimson & Co., raised some $2,600,000 from debentures, but this money had been used for other purposes than handing over to Stimson Development Co.

DIVIDEND NOTICES

Supersilk Hosiery Mills Limited

Notice of Dividend

A semi-annual dividend at the rate of seven per cent (7%) per annum on the Preferred Stock of this Company for the six months period ending June 30th, 1931, has been declared, payable on July 1st, 1931, to shareholders on record at the close of business on June 13th, 1931.

By order of the Board,
J. G. THOMPSON,
Secretary.
London, Ontario, June 2nd, 1931.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1931, being at the rate of twelve per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of July, 1931, to shareholders of record of the 20th June, 1931.

By Order of the Board.
C. A. BOGERT,
General Manager.
21st May, 1931.

THE BELL TELEPHONE COMPANY OF CANADA

NOTICE OF DIVIDEND

A dividend of two per cent (2%) has been declared payable on the 15th of July, 1931, to shareholders of record at the close of business on the 23rd June, 1931.

W. H. BLACK,
Secretary-Treasurer.
Montreal, 27th May, 1931.

CLAUDE NEON GENERAL ADVERTISING, LIMITED

Preferred Stock Dividend Notice

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) for the three months ending May 31st, 1931, being at the rate of seven per cent (7%) per annum on the Paid-up Preference Stock of this Company has been declared, and that the same will be paid on the 15th day of June next, to shareholders of record at the close of business on the 31st day of May, 1931.

By order of the Board.
SIDNEY TURNER,
Secretary-Treasurer.
Montreal, June 1st, 1931.

MANY INDUSTRIES TO FEEL EFFECT OF NEW TARIFFS

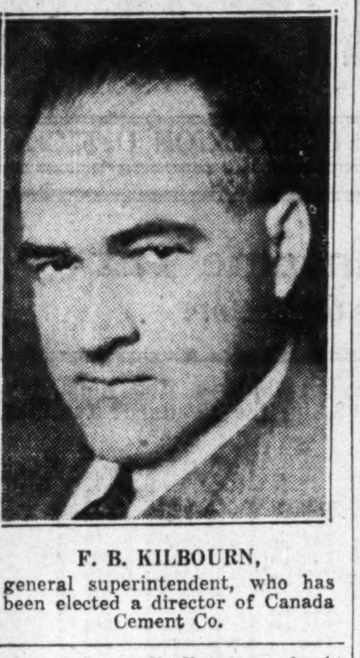
(Continued from page 11)

group general tariff jumps from 27½ per cent to 30 per cent, intermediate is up 5 per cent to 22½, and the British preference up 2½ to 15 per cent. In the third group, general tarif is increased from 27½ to 40 per cent while intermediate tariff jumps from 25 to 30 per cent.

Another important provision is inclusion of used automobiles in the list of prohibited articles, this being designed to stop dumping of these cars into this country.

Drawbacks affecting the motor industry are radically changed. At present the drawback is 99 per cent where the parts go to manufacture a car made in Canada. Now the drawback shall not be more than 60 per cent and on a special list of enumerated parts now made in Canada, the drawback is removed entirely.

New Cement Director



F. B. KILBOURN, general superintendent, who has been elected a director of Canada Cement Co.

Retail prices of all cars will, of course, be increased, due to the higher sales tax, while high priced cars now imported from the United States will be substantially increased for three reasons, namely: higher sales tax, the new 1 per cent excise tax, and the higher duty.

In this group may be mentioned a special tax of 5 per cent on all pleasure boats, yachts and motor boats, whether sold for pleasure or hire, unless they are for purely commercial purposes.

Leather

The leather industry receives the first tariff consideration for some time, there being increased rates under all tariffs including the British preference. Last year imports of unmanufactured leather totalled over $4,000,000 and manufactured leather imports reached $5,260,000 the major items in the latter group being gloves and boots and shoes. A new provision gives the governor-in-council power to increase the tariff on glove leathers, when imported by manufacturers exclusively for manufacture of gloves, from 10 to 20 per cent, when these items are being produced to a sufficient extent in Canada. Another new item places a tariff of 20 per cent, British preference, and 35 per cent intermediate and general, on all leather garments imported, whether lined or unlined.

Furniture

Another industry to receive general tariff protection is the furniture industry. Last year imports of wooden furniture amounted to just under $3,000,000 the major portion of which came from the United States, while imports of metal furniture totalled $1,125,000. The tariff covering all imports of house, office or store furniture whether of wood or metal, is raised from 27½ to 30 per cent on the intermediate tariff and from 30 to 45 per cent on the general. Wire screens, mattresses, cash registers, furniture springs and carpet sweepers, formerly included with furniture are now segregated into a separate item and the tariff rate left unchanged.

Construction

Building stone of all kinds both rough and finished as well as building brick, magnesite and ground feldspar will bear higher rates, the increases being almost entirely on the general tariff. Total imports of these items in 1930 reached approximately $1,200,000, the largest single item of import being rough sandstone, flagstone and building stone imported to the extent of $309,000 on which the general tariff is raised from 15 to 20 per cent. Marbles of various kinds which were imported to the extent of $670,000 receive a 5 per cent increase in the general tariff, while a new item appears which gives marble imported by tombstone makers for their own use a lower schedule than that prevailing heretofore.

The tariff on ordinary window glass remains unchanged, but provision is made for an increase in the tariff under three new items at such time as the demand is being met by glass of Canadian manufacture.

A further group in the construction field that receives tariff aid are manufacturers of prepared roofing, wallboard and insulating materials. Imports of these items totalled over $600,000 in 1930 and the new tariff increases the intermediate rate from 22½ per cent to 25 per cent and the general rate from 25 to 35 per cent.

Publishing

The most important tariff change designed to aid the publishing industry in Canada is a tax of 15 cents a pound on all periodical publications in French or English, whether bound or unbound. Imports in this category totalled $3,000,000 in 1930 of which $1,814,000 came from the United States and $1,012,000 from United Kingdom. Another change affecting publishing houses is the increase in the postage rate on certain papers of over 10,000 circulation from one cent to 1½ cents per pound. In both the changes noted above, papers and periodicals devoted to agriculture, religion, the sciences are exempt. Neither of these changes comes into effect until July 1, and in the meantime the governor in council may amend the tariff on publications in line with the above exemptions.

Coal

Higher prices for coal consumers in central Canada are expected as a result of the new impost on coal. On anthracite coal the intermediate and general tariff is now 40 cents a ton, while coke is given a $1 tariff per ton in both groups. On all other coal including screenings, an intermediate tariff of 45 cents is raised to 50 cents and the general tariff from 50 to 75 cents a ton. Charcoal formerly entering free is now taxed $7.50 a ton. Imports last year were valued at $173,000. Imports of coal in 1930 were valued at $57,000,000, of which $48,000,000 came from the United States. There was formerly no tariff on coal imports. Coke imports amounted to $5,600,000, practically all of which were from the United States.

In addition to this added protection, the Canadian mines in Nova Scotia and the West received a further boon in the form of increased subventions. Premier Bennett stated that it was estimated that these increased bounties would result in the marketing of 1,800,000 more tons of Canadian coal annually. The object of the subventions, which are payable on a mileage basis on shipments of coal, is to get more of Nova Scotia coal into Ontario and Quebec and more Western coal into Ontario and Manitoba. The basis apparently is to be a fraction of a cent per ton mile—one-third, one-fifth and one-seventh—for westward and eastward haulage to fuelless Central Canada, and the maximum of Government aid is to be $2 per ton from the West and $1.50 per ton from the East.

Iron and Steel

Changes in this group outside the automobile revisions are confined largely to increases on steel plate, wire netting, machinery, safes and miscellaneous manufactures of iron and steel, with decreases on green saw steel, hot rolled strip steel for cold rolling, various kinds of steel wires and bessemer steel billets in connection with raw material. These affect only a small part of the industry but are intended to encourage the manufacture of steel sheet and tubing in Canada.

Foodstuffs

Indian corn imports for feed purposes ranging between $8,000,000 and $12,000,000 in the past two years are affected by a new item which places a tax of 20 cents on the intermediate and 25 cents on the general tariff. This is designed particularly to assist Western Ontario, as corn formerly came in free. Oranges are made dutiable at 35 cents per cubic foot, or about 90 cents per crate. This is aimed at diverting this trade from the United States to Australia, Rhodesia and Natal. Canada's imports of oranges from the United States amount to about $10,000,000.

Changes are made in the wording of the drawback clause on sugar in order to bar Cuban sugar in favor of sugar produced within the Empire. Under a loophole in the former item, Cuban sugar was coming into Canada and its importers were collecting the refund of duty which was originally intended to apply only to imports of the British-grown product. Other items on which tariff is increased in this class are live hogs, fresh meats, bacon, hay; field, root and garden seeds; canned fruit and cheese, hops, powdered milk, hams, shoulders, shelled eggs, vegetables and raisins.

Containers

Not only is a tariff of 1¼ cents intermediate and 1½ cents general, placed on containers manufactured wholly or partially from fibre or paper board, but an important amendment provides that Canada follow the practice adopted in other countries whereby containers are treated as contents for duty purposes. That provision applies to cheese, powdered milk, macaroni, dried fruit, soup and the like.

Other changes of interest are as follows:

No changes are made in respect of farm implements, although the item covering repair parts is extended in point of time.

The tariff on clocks and watches is revised, the rates being increased, and provision is made for increases on window glass and laminated glass.

The tea schedule is radically revised, the former free entry of bulk teas under the British preferential tariff being cancelled and replaced by rates of 4 cents, 8 cents and 8 cents, per pound on teas imported direct from place of growth or imported from the United Kingdom, and rates of 10 cents, 10 cents, and 10 cents per pound on teas otherwise imported.

The rates on the so-called "basket item" (item 711: unenumerated articles) are raised from 15 per cent, 17½ per cent and 17½ per cent to 15 per cent, 25 per cent, and 25 per cent.

Changes in the textile schedules are limited, the significant being increases on linen fabrics and articles (excepting damask) and fabrics of pure silk, with decreases on mohair yarns.

Further strength is given the dumping clauses by new provisions introduced by Mr. Bennett. Heretofore the dumping duty has been assessable only on the difference between the entered and the fixed values. Under the provision, transportation, sales and distribution costs may be added to the fixed value. In instances of low cost but bulky goods, this will add considerably to the dumping duty.

RETIRING C. M. A. HEAD ALARMED AT GROWTH OF SOCIAL LEGISLATION

(Continued from page 11)

working section of the population, including farmers, industrialists, professional people, merchants, and salary and wage earners, becomes too great, their efficiency is lowered, and if this condition is protracted, they will not be able to bear it.

"This is the fundamental condition which must govern sound policy in dealing with all questions of taxation, including the so-called "uncontrollable expenditures" as well as those taxes which result from social legislation. Reasonable economy in governmental expenditures is the most practical method to reduce taxes and lighten the burdens of taxpayers."

Many Reports Presented

Reports were presented from the various permanent committees of the association covering such subjects as tariff, transportation, legislation, commercial intelligence, industrial relations and insurance. The tariff committee confined itself to a report of work done during the year in view of the fact that the 1931 budget which appeared this week was not available in time to receive consideration. Attention was drawn in this report to the fact that the association had petitioned the Government asking that if additional revenue had to be found, an increase in the existing sales tax would be far more acceptable to business than the imposition of a turnover tax or other new form of impost.

A decline in new company incorporations was noted by the legislation committee, the number of charters, Dominion and Provincial, issued for new companies during 1930, amounting to only 4,307, compared with 5,486 the previous year. The authorized capital totalled $751,707,981, compared with $1,775,480,829 for 1929. The Provinces of Ontario and Quebec again led all others, with the list of charters issued by the federal government coming third. Nova Scotia and Prince Edward Island were the only provinces to show an increase in the number of new companies incorporated, compared with the previous year.

Membership Suffers

During the year membership of the association suffered a net loss of 100 due to 393 members dropping out for various reasons which more than offset the 293 members who joined during the period. Reasons given for cancellations of membership were as follows: amalgamation of firms, 101; firms going out of business or in liquidation, 124; trade conditions, 116; and non-payment of fees, 52. Most of the new applications came from the Ontario division of the association. Saskatchewan was reported as the only province to record a gain both in membership and revenue during the year.

Total membership of the association at the end of the fiscal year, April 30, was 3,785, it being pointed out that members of the association make about 80 per cent of the products manufactured in Canada by firms eligible for membership. In view of the annual meeting being held in Victoria the following comment on the association's growth in the Province of British Columbia is of interest:

"In 1900 the association had no members west of the Great Lakes; in 1910 there were only 231; now there are 1,000. Prior to 1918 the association did not have an office in British Columbia and only a part-time secretary. In 1918 an office was established and the present secretary, Hugh Dalton, was engaged. In that year the association had only 72 members in British Columbia; now there are 400. In 1918 the association opened an office in Victoria to serve the members on Vancouver Island and retained the part-time services of T. Goodlake for Victoria and Vancouver Island Branch. At that time the membership on Vancouver Island was 14; now it is 52."

Another item of interest was the work of the Commercial Intelligence department of the association. During the year this department translated over 4,364 letters, an increase of 754 over last year. Of this increase 360 were French, 296 Spanish, and 104 German. In addition to France, Germany, Spain, Switzerland, Italy and all the countries in South and Central America, letters have come from Egypt, Roumania, Greece, Algeria, Poland, Union of Soviet Socialist Republics, Finland, Norway, Denmark, Jugo-Slavia and Czechoslovakia. Each member of the association is entitled to have 15 business letters translated free of charge each year.

NOTICES

FINANCIAL EXECUTIVE

Thoroughly experienced and successful executive seeks new connection. Capable of installing Budget Control systems and other modern accounting methods. Good organizer, can introduce economies and establish rigid control on operations. Presently connected as official of large company. Negotiations solicited. Box 278, The Financial Post, 143 University Ave., Toronto, Ont.

NOTICES

Executive Wanted

We require a man with thorough executive training who can assume complete charge of a soft beverage plant in Ontario. He must be alert and aggressive, and experience in the beverage business would be advantageous. Give full details of experience, etc., in first letter.

Box 279
The Financial Post,
Toronto

ONTARIO

$30,000,000.00 PROVINCE OF ONTARIO

Forty Year 4% Instalment Coupon Bonds

The Government of the Province of Ontario will receive tenders up to 2 o'clock (Daylight Saving Time) in the afternoon of Thursday, the 4th day of June, 1931, for:

$30,000,000.00

Province of Ontario Forty Year Instalment Bonds, to be dated 1st June, 1931, bearing interest at the rate of 4% per annum, payable half-yearly on the 1st June and 1st December. The Bonds will mature on the 1st day of June in each year as follows:

1932	$316,000	1952	$ 692,000
1933	328,000	1953	719,000
1934	341,000	1954	748,000
1935	355,000	1955	778,000
1936	370,000	1956	810,000
1937	384,000	1957	842,000
1938	399,000	1958	875,000
1939	416,000	1959	910,000
1940	432,000	1960	947,000
1941	449,000	1961	985,000
1942	468,000	1962	1,024,000
1943	486,000	1963	1,065,000
1944	505,000	1964	1,107,000
1945	526,000	1965	1,152,000
1946	547,000	1966	1,198,000
1947	568,000	1967	1,246,000
1948	592,000	1968	1,295,000
1949	615,000	1969	1,347,000
1950	639,000	1970	1,401,000
1951	665,000	1971	1,458,000

Principal and interest payable at holder's option in gold coin of lawful money of Canada at the office of the Treasurer of Ontario, Toronto; or at the Agents of the Treasurer of Ontario in the Cities of Montreal, Winnipeg, Vancouver, Regina, Halifax, Calgary and St. John, Canada; or in gold coin of the United States of America of the present standard of weight and fineness at the Agents of the Treasurer of Ontario in the City of New York, U.S.A.; or at the Agents of the Treasurer of Ontario in London, England, at the fixed rate of $4.86 2/3 to the pound sterling.

Bonds to be in the denomination of $1000 each, with coupons attached, and may be registered as to principal only.

Delivery of and full payment for Bonds with accrued interest to date of payment to be made in New York funds at the Office of the Agents of the Treasurer of Ontario in New York on the 23rd day of June, 1931. Interim bonds, exchangeable for definitive bonds on completion of same by the engravers, will be issued against payment.

Sealed Tenders endorsed "Tender for Province of Ontario Bonds" should be addressed to the Hon. E. A. Dunlop, Treasurer of Ontario, Parliament Buildings, Toronto.

Tenders must be for the whole amount offered and each tender must be accompanied by a certified cheque for $300,000, to be applied in case of the successful tenderer, as part payment for the Bonds.

The above securities will be issued under authority of R.S.O. 1927, Chapter 23 and 20 George V (Ontario), Chapter 2.

The highest or any tender will not necessarily be accepted.

E. A. DUNLOP,
Treasurer of Ontario.
Toronto, May 29th, 1931.

Town of New Waterford

TENDERS for $100,000 Debentures of the Town of New Waterford will be received by the undersigned up to June 15th, 1931. The Debentures are payable in 20 years, dated May 15th, 1931, and bearing interest at five and one half per cent, payable twice a year at the office of the Town Clerk and Treasurer. Sinking Fund to be sufficient to pay the Debentures at the date of maturity.

The highest or any tender not necessarily accepted.

W. J. HINCHEY, Mayor.
Dated at New Waterford, N.S., this 12th day of May, 1931.

SALE BY TENDER

ATTENTION OF CONTRACTORS INVITED

Sealed Tenders endorsed "Tenders for Crookston Quarries" will be received by the undersigned up to twelve o'clock noon on the Fifth Day of June 1931, for the purchase of the Crookston Quarries and six buildings erected thereon and the undermentioned equipment; the said Quarries are situate in the Township of Huntingdon, Ontario, eight miles from Tweed, six miles from Madoc, and 20 miles north of Belleville, on the highway extending on both sides of the County road, at proximity to C.P.R. and C.N.R. stations and have a C.N.R. siding, and they have an area of 47 acres more or less:

1500 ft. assorted iron pipe and some rd. steel
1 60 H.P. Loco type boiler
6 (Huy) derricks
4 steel scale boxes
3 wooden scale boxes
1 Lorry Stone Car
2 Steel stone cars 43" gauge
5 — 2 way cement dump cars
600 approximate feet of 56 lbs. steel rails
600 approximate feet of 30 lbs. steel rails
1 — 3 drum double cylinder hoisting engine
1 No. 4 Gates Gyrator stone crusher
1 — 2 drum double cylinder hoisting engine
1 No. 4 Gates Gyrator stone crusher*
1 — 2 drum double cylinder hoisting engine with swinger*
*Presently situate at Fuller, Ont.

CONDITIONS

Tenders must be submitted for the whole property and equipment and must be accompanied by a cheque for the full amount of the tender, cheque to be made payable to the order of Capital Trust Corporation Limited and accepted by a Canadian chartered bank. The highest or any tender not necessarily accepted. Any further information may be obtained from the undersigned.

BY ORDER of the owners.

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Pulp and Paper News

BATHURST POWER PROFITS DECLINE FOR PAST SEASON

Liquid Position Sound—Plan to Diversify Production

From Our Own Correspondent

MONTREAL.—Sharp decrease in earnings power, but a strengthening of financial position, are the features of the annual report of Bathurst Power & Paper Co. for the year ended December 31 last.

Operating profits for the year were $132,953. This compares with $281,550 in 1929, and $411,781 in 1928, in each case after provision for depletion of limits at the rate of $1 per cord on wood cut. Deducted from the 1930 earnings was $59,871, a write-off on idle equipment and inventory adjustments, leaving a balance of $73,082.

There was no write-off for depreciation in 1930, whereas in the two preceding years, $200,000 was charged of conditions which burden the tram- not feasible to make a comparison of share earnings, for if full depreciation was charged in 1930, the income account would show a deficit.

No Depreciation Charge

Profit and loss account figures for the past three years compare as follows:

	1930	1929	1928
	$	$	$
Oper. profit	132,953	281,650	411,781
Bond int.	....	......	56,568
Other int.	......	......	15,510
Deprec.	......	200,000	200,000
Organiz. exp.	......	......	12,955
Writ.-off	*59,871	......	......
Balance	73,082	81,550	126,748
Bad debts	......	......	5,000
Balance	73,082	81,550	121,748
Divid.	......	100,000	......
Surplus	72,082	†18,450	121,748
Prev. bal.	‡107,918	121,748	......
P. & L. Bal.	181,000	103,298	121,748

*Idle expenses and inventory adjustments.
‡After adjustments.
†Deficit.

Stronger Working Capital

Balance sheet shows a strong liquid position, with net working capital at the end of 1930 amounting to $2,493,426 as against $2,387,933 at December 31, 1929. Current assets exceed current liabilities in the ratio of 21 to 1.

The balance sheet as of December 31 last shows total assets of $25,048,022, a decline of approximately $20,750 from that reported at the end of the preceding year. Inventories show a substantial increase from $1,156,597 to $1,545,410. Advances on logging operations have been cut from $529,016 to $93,009. Accounts receivable also show a decline amounting to $279,583, down from $354,179.

Cash Position Good

Investment in Government, municipal and other bonds are carried by the company at $411,943, an increase of about $14,000. Call loans on the other hand declined from $125,000 to $50,000. Cash on hand increased from $236,420, compared with $171,362. Investments in other companies are up from $26,077 to $93,870, while deferred assets remain about the same.

Properties are shown on the books at $22,276,230. This compares with $22,248,198 at the end of the preceding year.

Cut Current Liabilities

Among liabilities accounts payable have been cut by more than half from $210,457 to $101,637. There has also been a substantial reduction in accrued liabilities, this item now standing at $21,304 compared to $134,986. Reserves have been increased from $569,951 to $699,977. Capital and surplus, represented by 400,000 shares of Class "A" and 300,000 shares of Class "B" common stock of no par value, totalled $24,225,083 as against $24,147,379 at the end of 1929.

Operated 60 Per Cent Capacity

In his report to shareholders, General J. B. White, president said in part:

"Business conditions in general, and of the newsprint industry in particular, have affected adversely the operations of your company. The company's production of newsprint for the year was approximately 61 per cent of capacity. The operations of the sulphite and kraft mills were drastically curtailed during the year through lack of demand and the prices realized for these products were unprofitable.

"Similar conditions have carried over into 1931 and at the moment the decline in volume of sales and prices continues.

"In view of the difficulty of selling kraft pulp as a raw material at profitable prices the board of directors have decided to convert it into a finished product and have authorized the necessary alterations for the manufacture of kraft container board on one of the newsprint machines."

Fraser Co's Active In Pulpwood Cut

From Our Own Correspondent

MONTREAL.—Seasonal activity in pulpwood cutting is under way in several districts of New Brunswick; the largest operations are being carried on in Queens County by Fraser Companies. About 300 men are at work on this order getting out about 14,000 cords of pulpwood.

Operations of Fraser Companies have shown some improvement recently. The Restigouche pulp mill is working at capacity; the catalogue paper mill at Madawaska is operating at about 80 per cent. Board mills are running full and bond paper mill is fairly busy.

Plans for a reorganization of the company are under way and some announcement in this regard may be expected in the course of the next month or two.

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WPG. ELECTRIC DECIDES AGAINST CIVIC TAX DUES

Informs City Tramways Unable to Meet Charges

From Our Own Correspondent

MONTREAL.—Winnipeg Electric Railway has informed the Winnipeg Civic Finance Committee that it would be unable to pay the 5 per cent gross earnings tax for 1931. The company intends, however, to pay its 1930 indebtedness, but the financial position of the company prevents it from meeting this year's obligations.

According to press despatches the Finance Committee has instructed the city solicitor to ascertain from the president of the company if this movement meant that the utility intended discontinuing rights and privileges enjoyed under the franchise agreement.

This refusal to pay taxes is the latest move of Winnipeg Electric in its endeavor to obtain a readjustment of condtiions which burden the tramway system under the franchise. The utility has pointed out to the civic body that its taxes and other charges are so onerous that it cannot cover its charges in full. New rate schedules have been put into effect without any apparent betterment. Other means have been tried out to lighten the load but unsuccessfully.

Offered to Sell

In March last the company placed two proposals before this special committee of the Winnipeg City Council, offering to sell the tram system to the city for $14,000,000, or asking a guarantee of a reasonable return to the company on its investment. In the event that the city adopts the latter course, the company would operate the system in accordance with the city's wishes, providing such service and fares as the council directed.

The company's franchise expires in 1932 and a twelve months' notice must be given by the city should it decide to purchase the system or to negotiate a new franchise, otherwise the franchise is automatically renewed for a period of 5 years.

To date no action has been taken by the city council.

Covered Taxes in 1930

The general income and surplus account of Winnipeg Electric Co. for the year ended December 31, 1930, showed the company to be in a position to meet tax payments. As the company does not issue an income account for the tram system, it is not possible to determine whether or not it is in a position to meet tax payments. The general income account, however, showed a net income of $2,431,915, which after providing for depreciation, bond and loan interest, left a balance of about $965,000. This compares with 1930 tax payments of $361,343.

Marcus Loew's Show Big Increase First 5 Months

At the annual meeting of Marcus Loew's Theatres, Ltd., held May 30, 1931, shareholders were told that net receipts for the first five months of 1931 amounted to $96,628, an increase of $56,266, or about 140 per cent over those for the corresponding period of 1930.

For the last fiscal year, ended January 1, 1931, the net earnings of the company including rentals and profits under pooling agreement, after deducting all operating expenses, amounted to $115,947. Net profits, after depreciation, bond interest and reserve for taxes, etc., were $52,298, equivalent to 80 cents on the common shares.

At the meeting, Leopold Friedman of New York was elected to the board of directors to fill the vacancy caused by the death of Lawrence Solman. The other directors were re-elected without change.

A bylaw changing the end of the fiscal year to the last day of the final theatre week of the calendar year was approved.

Can. Gen. Investment Co. To Merge the Three Trusts

At the special meeting of the Second Canadian General Investment Trusts, held on May 27, 1931, shareholders ratified the proposals of the directors to proceed with the plan for the amalgamation of the first, second and third trusts. Details of the plan, which will be on a share exchange basis, have not yet been entirely worked out.

Reasons were given for this step at the annual and special general meeting held on April 29, 1931, when it was explained that one large company with over $20,000,000 of assets would be better known and enjoy greater standing than the three smaller companies. It was also stated at that time that the amalgamation would be effected on the basis of the exact liquidation value of each of the companies as determined by the auditors.

Western Canada Flour Pass June 15 Dividend

Directors of Western Canada Flour Mills Co. have announced the passing of the quarterly dividend on the common stock ordinarily payable on June 15. It is recalled that at the annual meeting of the company held in October last year, the president, D. B. Hanna, stated that the company's business had been affected by the lack of stability in the grain markets, and that as a consequence it had been necessary to draw upon surplus account for the balance required to meet the regular dividends declared during the year.

As at August 31, 1930, the surplus account stood at $905,135 as against $1,005,612 at the end of the previous fiscal year.

Anglo-Newfoundland Mill Now Ranks With Leaders

At annual meeting of Associated Newspapers in London, Sir George Sutton, chairman, referred to improvements at the Newfoundland newsprint mill of Anglo-Newfoundland Development Company. He said: "Your directors are very well satisfied with the last reports received covering this company's operations. Much money has been spent out of surplus funds during the past year in improvements to the mill plant and machinery, resulting in a substantial reduction in the cost of manufacture. In this respect the mill is now in a position to compete with any newsprint mill in the world, and I might again point out that the Anglo-Newfoundland Company is the owner of immense pulpwood forests held on long leases, which ensure for the company virtually a perpetual supply of its raw material and form an asset of very great value."

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Is the C. N. R. a Success?

Canadian People Have Net Equity of $942,000,000 But Have Invested Much More Than That in Railway

By FLOYD S. CHALMERS

Article Two: Our Investment in the C. N. R.

What is the investment of the people of Canada in the Canadian National Railways?

In acquiring the railways in the C. N. R. system the taxpayers of Canada assumed bond liabilities of about $800,000,000, some of which had been guaranteed by the Dominion and others by the provinces, they assumed loans from the government of about $200,000,000, they continued their investment of $400,000,000 in Government railways and they have since assumed, directly or through control of the C. N. R., an additional burden of $1,100,000,000 of which $600,000,000 has gone to pay deficits and $500,000,000 has gone to make the C. N. R. a better railway—a total of $2,500,000,000.

An examination of the balance sheet of the Canadian National Railways, in the light of explanatory information that is hidden in Government blue books of one kind and another, will give us some understanding of how much the C. N. R. stands the people of Canada to date.

Share Capital Fictitious?

Let us consider first the share capitalization and then the long term debt of the railway.

At December 31 last, the railway owed to the shareholders of its constituent companies $270,231,734. There were 105 different companies embraced in the Canadian National Railways system, each of which had its own share capitalization. But in nearly every case the shares were held in the treasury of the C. N. R. itself and their capitalization need not be considered apart from that of the railway itself, and the shares held by the system are not included in this total.

Of all the stocks of all these companies outstanding the general public holds $4,592,785. To the extent that these shares have any real or nuisance values (in some cases they are worthless) the $4,592,785 in the hands of the public are really a liability of the C. N. R.

The Canadian Government owns two groups of the shares:

Shares Owned by Government

Canadian National Railway Company shares issued in exchange for an equivalent amount of Grand Trunk stock previously held by the public	$165,627,739
Canadian Northern Railway Company shares	100,000,600
Total capital stocks owned by Government	$265,628,339

But the Government paid no such sum for these shares. The Grand Trunk shares it acquired for nothing under the arbitrators' award. For $100,000,000 of Canadian Northern shares it paid $10,000,000, also under what amounted to an arbitration.

In brief then the capital stock liability of the C. N. R. represents a sum of $270,221,124 of which the major portion is held by the Government and in which the Government has an investment of only $10,000,000, plus an allowance of $10,600 for a special liability under stock conversion.

What C. N. R. Owes

The debt (as opposed to the capitalization of the Canadian National) is another matter.

At December 31 last, the Canadian National Railways, directly or through its constituent companies owed the general public $1,168,565,863. These included the bonds and debenture stocks issued by the Grand Trunk, Canadian Northern and other railways and in addition about $500,000,000 of bonds issued by the Canadian National Railways itself. A large part of the total was guaranteed by the Dominion Government or by one of the provinces, the division being as follows:

Funded Debt Due Public

Guaranteed	$ 926,616,483
Unguaranteed	241,949,380
Total	$1,168,565,863

Debt Due to Government

In addition to its capital stock liability and its bonded indebtedness the Canadian National showed a debt to the Dominion Government of $1,330,006,076. It is in an examination of this account and how it is made up that we arrive at the interesting points in our study.

The Canadian National at December 31, 1930, owed the Dominion Government various sums shown in the balance sheet as follows:

C. N. R. Debt to Government

Governmental grants in aid of construction	$ 17,026,667
Loans from Dominion	604,406,239
Interest on loans accrued but not paid	322,155,902
Appropriations, Can. Gov. Rlys.	403,443,935
Loan from Minister of Finance	46,660,542

Taking these in turn, we shall attempt to see what they mean.

The $17,000,000 of Governmental grants represents very largely grants made to privately-owned railways long ago.

Loans from the Dominion of Canada represent advances made from time to time for various purposes. In the early days of the Canadian National, the Federal Government borrowed money for sundry purposes and from its own borrowings loaned money to the C. N. R., both to meet interest and operating deficits and capital expenditures. Now the C. N. R. does its own borrowing directly, with a Government guarantee of its bonds. The Dominion Government's advances, then, do not now increase much from year to year.

Figures for 1930 are not available but of Dominion Government advances at December 31, 1929, amounting to $601,000,000 odd, about $240,000,000 was to meet income deficits. Another $116,000,000 had been used to redeem bonds of subsidiaries, $223,000,000 had been used for capital expenditure and $29,000,000 had provided the railway with enlarged working capital.

The item of interest due the Government, $322,155,902, is somewhat anomalous. The advances made from the public treasury were made to individual companies, part of the system, which gave the Government their own notes bearing simple interest at from 3 to 6 per cent. Each year the railway charges up this simple (not compound) interest on its books, but as it never pays it, the Government never takes it in as revenue and it represents no gain to the taxpayer.

The next item owing to the Government by the railway is the amount invested in the Canadian Government railways, including the Intercolonial and the National Transcontinental—and which are now part of the Canadian National Railways. Subsequent capital expenditures are not included. The item standing at $403,443,935 at December 31 last represents the cash investment by the people of Canada on capital account together with a portion of the deficits. It does not yet include the Hudson's Bay Railway.

No Interest in This

Strangely enough, while the railway charges itself with interest on the loans it received from the Dominion Government merely to pay operating deficits it charges itself and credits the Government with no interest at all on the cash investment of the people of Canada in the Canadian Government Railways that are now part of the C. N. R. system.

The total capitalization and long term debt of the C. N. R. at December 31, 1930 was, then:

Total Capital and Debt

Stocks	$ 270,231,724
Govt' grants	17,026,667
Bonds outstanding	1,168,565,863
Due Gov't.*	1,330,006,076
Total	$2,785,830,330

*Not including temporary loan from Minister of Finance.

What Would Disappear

This is undoubtedly an excessive capitalization for the Canadian National. There seems little doubt that any scheme of reorganization attempted would wipe out these items at least:

$255,000,000 representing capitalization in excess of what the stocks cost the country.

$17,000,000, Government grants for construction.

$322,000,000, interest due Government but never paid.

About $15,000,000 being the portion of Government railway appropriations representing past deficits rather than capital outlay.

About $290,000,000 of the loans from the Canadian Government being the amount advanced to pay income deficits.

Thus would $900,000,000 be wiped off Canadian National debt and capital, most of it being transferred directly to the taxpayer who now carries the burden anyway.

How Debt Was Incurred

We have seen that the long term debt of the Canadian National Railways at December 31, 1930, was $2,498,571,939—say two and a half billions of dollars.

How was this incurred? We have seen that this long term debt—outstanding partially in the form of bonds in the hands of the public and partially in the form of sums due the Government—is the result of many items besides capital expenditures. We have not yet the Governmental reports that would enable one to divide this item accurately to the end of 1930, but figures to the end of 1929 are available and for our purposes we may assume that all money publicly borrowed in 1930 was for capital account. On this basis the debt may then be traced to these sources, round figures being used:

Sources of C. N. R. Debts

Capital expenditures	$1,460,000,000
Working capital	55,000,000
Acquisition of securities	10,000,000
Redemption of debt	350,000,000
Discounts, etc.	10,000,000
Total capital	$1,885,000,000
Income deficits	615,000,000
	$2,500,000,000

Increases by Over Billion

It would be interesting to determine how much of this investment represents the investment in the roads at the time they were taken over and how much investment made since that time.

Canadian National Railways as an integrated enterprise came into being only in 1921. But Government ownership of all the three main lines now in the system has existed since 1919.

During the period 1919 and 1930 inclusive the long term debt of the Canadian National grew by $1,117,706,874.

Approximately $600,000,000 of this was on account of income and interest deficits and $500,000,000 on account of additions and betterments increased working capital, discount on bonds issued and other capital items.

Equity $942,000,000

Let us put still another way our investment in the C. N. R. Taking the valuation of the railroad and its various assets at their book value shown in the company's balance sheet and deducting all liabilities due the public we find that the net equity of the people of Canada in the Canadian National is $942,083,344. This is what they have for the $403,443,935 invested in Canadian Government railways, the $604,406,239 advanced from the public treasury, the $322,155,902 of accrued but unpaid interest and the $10,000,000 paid for shares of constituent companies.

If we knew what the C. N. R. were worth we might know how much of our equity we have lost.

This is the burden we have assumed. What we are getting for our money is another question to be discussed in later articles.

C. N. R.'s Financial Status

CANADIAN NATIONAL RAILWAYS
Condensed, Consolidated Balance Sheet, Dec. 31, 1930

ASSETS		LIABILITIES	
Investments in road, etc.	$2,226,382,014	Stocks	$ 270,231,724
Current assets	80,055,996	Govt. grants for construction	17,026,667
Deferred assets	20,399,559	Funded debt	1,168,565,863
Unadjusted debits	17,853,169	Loans from gov't.	1,330,006,076
		Current liabilities	98,122,821
		Deferred liabilities	5,004,355
		Unadjusted credits	30,914,356
		Net corporate deficit	575,181,123
Total	$2,344,690,738	Total	$2,344,690,738

CAN. AIRWAYS GIVEN SETBACK BY NEW RULING

Limiting Air Mail Routes Seriously Curtails Operations

From Our Own Correspondent

MONTREAL.—Operations of Canadian Railways Ltd. have received another setback as a result of a decision of the Canadian post-office department to cancel air mail contracts along lines now duplicated by railroad service. It is possible that the air mail service will be continued on lines connecting regions distant from the end of steel and unserved by other means of transportation.

The Prime Minister is quoted as saying that civil aviation was costing the Dominion upward of $5,000,000 a year and $300,000 alone to light the prairie mail route. He thought certain economies in such services should and could be effected at present. He pointed out, however, that the whole question of aviation and air mail would be taken up again after the budget had been brought down.

Maintain Few Services

Services cancelled include the Montreal-Saint John-Moncton line.

Although the transcontinental trunk lines will be cancelled on their present basis, effective one month from official notification date, the services to isolated districts will be continued. These include the Mackenzie River route, extending for 1,676 miles north from Fort McMurray, Alta., to Aklavik, N.W.T.; from Sioux Lookout to Narrow Lake; and in winter from Moncton to the Magdelen Islands in the Gulf of St. Lawrence; from Leamington to Pelee Island in Lake Erie; and from Quebec along the north shore of the St. Lawrence to Seven Islands and Anticosti.

Other air mail routes cancelled on June 1 were the Toronto-Buffalo service, inaugurated on July 1, 1929, and the Montreal-Ottawa line, operated in summer by Canadian Airways to connect with the weekly Montreal-Rimouski. planes carrying mail to and from ocean liners.

Japan Offers Market for Canadian Wood Pulp

From Our Own Correspondent

MONTREAL.—There is a good likelihood of Canadian pulp mills supplying the Japanese markets, according to Dr. Shimojina Gumper, of Tokio, vice-president in charge of the business department of the International Cultural Society and a prominent newspaper editor in his country.

"Japan at the present time is faced with the shortage of pulp," said Dr. Gumper, who is now in this country on a business trip. "In the past, Japanese mills have obtained most of their supplies of pulp from European countries, principally Scandinavia, but now the amount of pulp in these countries has been curtailed, and they find it necessary to look for new sources," he said, adding that it his opinion, Canada should be able to capture the remunerative Japanese market.

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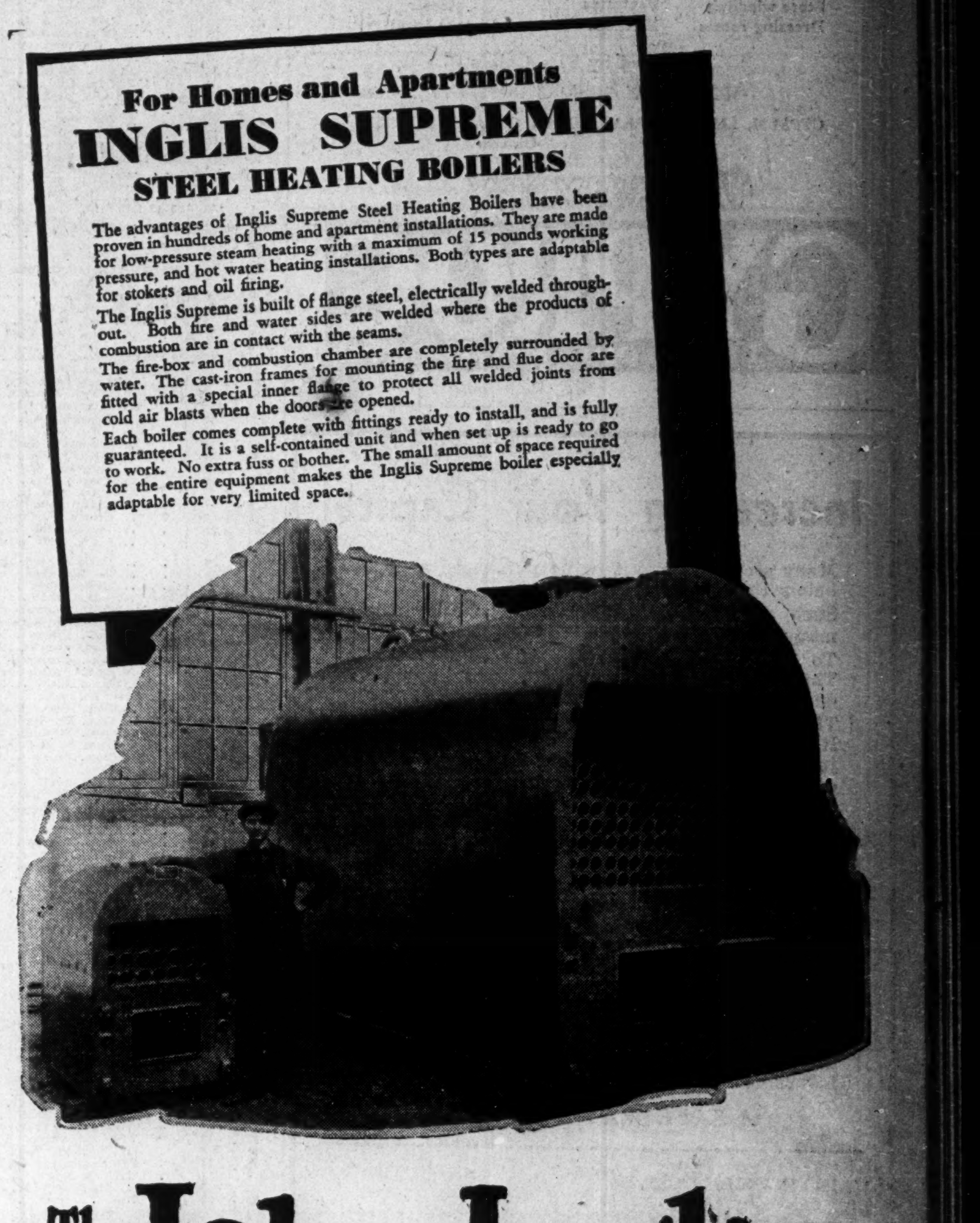

For Homes and Apartments
INGLIS SUPREME STEEL HEATING BOILERS

The advantages of Inglis Supreme Steel Heating Boilers have been proven in hundreds of home and apartment installations. They are made for low-pressure steam heating with a maximum of 15 pounds working pressure, and hot water heating installations. Both types are adaptable for stokers and oil firing.

The Inglis Supreme is built of flange steel, electrically welded throughout. Both fire and water sides are welded where the products of combustion are in contact with the seams.

The fire-box and combustion chamber are completely surrounded by water. The cast-iron frames for mounting the fire and flue door are fitted with a special inner flange to protect all welded joints from cold air blasts when the doors are opened.

Each boiler comes complete with fittings ready to install, and is fully guaranteed. It is a self-contained unit and when set up is ready to go to work. No extra fuss or bother. The small amount of space required for the entire equipment makes the Inglis Supreme boiler especially adaptable for very limited space.

The John Inglis COMPANY LIMITED
14 Strachan Avenue—Toronto
618 Castle Building—Montreal

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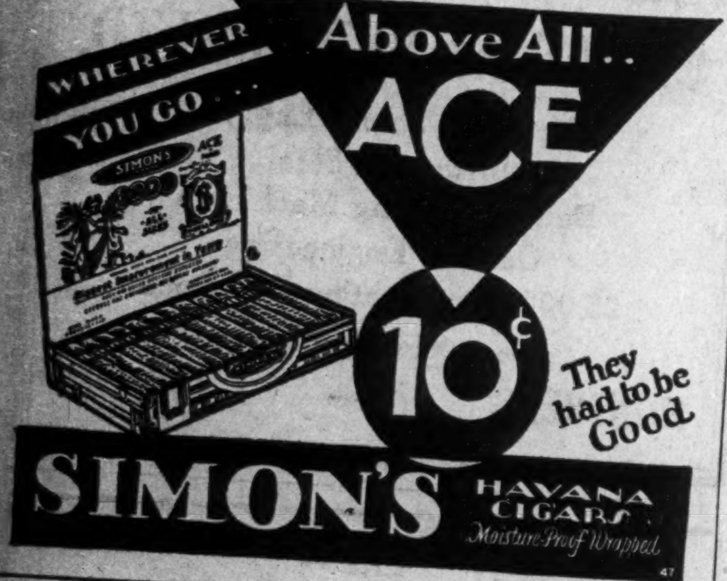

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"How to Invest for Profit" sets out clearly and simply the proven principles of investing.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING JUNE 1

Range 1931 High	Range 1931 Low	Divd. Rate $	Yield in % May 30		Close May 25 (or last)	Week Ending June 1 High	Low	Close
13¾	3¼	.	...	Abitibi, c.	3¾	3¾	3¼	3¾
50	15	6	...	Do. pref.	20	18	17	18
105	105	7	6.66	Do. pref.	105	..	..	..
8	7	.	...	Agnew Surp., c.	7	..	..	..
88	85	7	8.23	Do. pref.	85	..	..	..
6¼	2½	.	...	Alta. Pac. Grain	3¼	3¼	3	3
30	16	.	...	Do. pref.	16	16	16	16
4	3	.	...	Amal. Electric	4	..	..	..
18	10	.	...	Do. pref.	12	10	10	10
3½	2½	25c	...	Anglo Nor. Hold.	3	..	..	..
.50	.25	.	...	Asbestos	.40	.30	.30	.30
2	1	.	...	Do. pref.	1	..	..	..
9	6	1	14.28	Assoc. Brew.	7¼	7½	7	7
70	67	7	10.00	Do. pref.	70	70	70	70
10	6	.	...	Assoc. Can.	6	6	6	6
69	65	4+50	6.81	Assoc. Tele.	66	..	..	..
87	87	6	6.89	Do. pref.	87	..	..	..
37¼	12¾	.	...	Atlan. Sugar	23	21½	21	21½
105	79¾	.	...	Do. pref.	94	94	94	94
175½	158¼	10	5.95	Bk. Can. Nat.	169½	169¾	167½	167½
303	237⅝	12+2	5.85	Bk. Montreal	252	246½	237⅝	240
326	284	16	5.62	Bk. of N. Scotia	300	298	284	284
238	217	12+1	5.90	Bk. of Toronto	224	225	219	219
24	8½	1.50	...	Barcelona Tr.	24	8½	8½	8½
5¼	4	.	...	Bathurst Pr.	4⅛	4⅛	4⅛	4⅛
4	2	.	...	Do. pref.	2	..	..	..
x26	26	.	...	Bawlf Grain	..	..	..	..
25	20	.	...	Do. pref.	20	..	..	..
12	6	40c	6.66	Beath & Sons	6	..	..	..
20	12	2	16.66	Beatty Bros.	12	13	12	12
80	60	6	9.98	Do. pref.	60⅛	60½	60	60
8½	4¾	.	...	Beauharnois	6	5½	4¾	4¾
93	85	7	8.23	Belding Cort.	85	85	85	85
100	100	7	7.00	Do. pref.	100	..	..	..
55	10	.	...	Belgo C. P. pf.	10	..	..	..
151⅞	127	8	6.17	Bell Telephone	132	131	127	128½
4½	3	.	...	Biltmore Hats	3	..	..	..
65	60	7	10.76	Do. pref.	65	..	..	..
x22	14	.	...	Bissell	..	..	..	..
x97	88	.	...	Do. pref.	..	..	..	..
20	12	2	12.50	Blue Ribbon	16½	16½	14½	16
38	30	3.25	9.28	Do. pref.	36	35	35	35
22½	14	2	12.50	Brant. Cd. pf.	16	16	16	16
28½	12¾	2(a)	...	Brazilian Tr.	14⅞	14½	12¾	13
x2	⅞	.	...	Brew. & Distil.	..	..	..	..
16½	8	80c	8.00	Brit. Amer. Oil	9⅝	10	8	8¾
3.50	.50	.	...	B.C. Packers	.60	..	..	..
22	5	.	...	Do. pref.	5	..	..	..
42½	33¼	2	5.88	B.C. Power	33¾	34¼	33¼	33½
18	10	.	...	Do. (B)	10½	10¾	10¼	10½
2	1	.	...	B.E. Steel	1	..	..	..
21	18½	.	...	Do. 1st pref.	18½	..	..	..
3½	2½	.	...	Do. 2nd pref.	2¾	..	..	..
8	4½	.	...	Bruck Silk Mills	5	5	5	5
26	16⅞	2	11.26	Building Prod.	18	18	16⅞	17
44¼	30	3	8.95	Burt, F. N.	34½	34	30	30
146	140	6	4.28	Calgary Pr.	140	..	..	..
7⅞	3⅛	50c	12.50	Can. Bread	4	4	3½	3⅞
100	90	7	7.77	Do. pref. (A)	90	90	90	90
80	62	7	10.29	Do. pref. (B)	68	..	..	..
13½	8¾	1	9.64	Canada Bud	11¼	11¼	9¼	9⅞
18⅞	8¾	.	...	Can. Cement	10	10⅛	8¾	9½
96½	91	6.50	7.06	Do. pref.	93	93½	91	91
b43	29⅞	3	7.59	Canada Dry	39¾	40	37½	37½
12	10	1.50	15.00	Can. Forg. (A)	10	..	..	..
x16	5	.	...	Do. (B)	..	..	..	..
68	66	3	4.44	Canada Iron	66	..	..	..
76	60	6	10.00	Do. pref.	75	60	60	60
16½	10¾	1.50	12.50	Can. Malting	12	12¼	10¾	12
17⅛	15	80c	4.70	Can. Nor. Pr.	17	17	17	17
106½	104	7	6.66	Do. pref.	105	105	105	105
6	2	.	...	Can. Paving	2	..	..	..
51	45	7	15.54	Do. pref.	45	..	..	..
216	205	12	5.85	Can. Perman.	207	205	205	205
4.50	.50	.	...	Can. Pr. & Pap.	.75	.75	.50	.50
9	4	.	...	Can. Steam.	5	4¾	4	4
27	15	.	...	Do. pref.	16½	17	15	15½
20	15	1.60	10.00	Can. Vinegar	16½	16	15	15
70	65	4	6.01	Can. W. Cable	66½	..	..	..
36½	20	1.75	8.33	Do. (B)	22	22	20	21
16	9¾	.	...	Can. Bakeries	12	9¾	9¾	9¾
x99	72	.	...	Do. pref.	..	..	..	..
232	199	12+1	6.46	Can. Bk. of Com.	203	202	199	202
36½	20	2.50	11.36	Can. Bronze	24¾	24½	20	20
110	108	7	6.48	Do. pref.	108	..	..	..
13¼	8⅞	50c	5.63	Can. Canners	9⅝	9½	8⅞	8⅞
92⅛	87	6	6.85	Do. 1st pfd.	88	88	87	87
14	9½	80c	8.00	Do. 2nd pfd.	10⅛	10½	9½	9⅝
19	9⅛	1.75	14.58	Can. Car & Fdy.	12⅛	12	9⅛	10½
25¼	18	1.75	9.09	Do. pref.	21	21½	18	19
14½	9½	.	...	Can. Celanese	9½	..	..	..
70	59	7	...	Do. pref.	65	65	65	65
58	30	5	16.66	Can. Converters	30	..	..	..
x50	45	.	...	Can. Cottons	..	..	..	..
55	51	6	11.76	Do. pref.	51	..	..	..
36½	23¾	3	11.53	Can. Dredge	29½	29½	23¾	25½
92	92	7	7.60	Do. pref.	92	..	..	..
81⅝	79	6	7.59	Can. Fairb. pf.	79	79	79	79
5¾		.	...	Can. For Inv.	5¾	..	..	..
x90	74	.	...	Do. pref.	..	..	..	..
300	200	4	1.95	Can. Gen. Elec.	225	210	200	210
68⅛	59½	3.50	5.73	Do. pref.	63	62	61	62
80	52	6	11.53	Can. Hyd. E., pf.	58	58	52	52½
5¼	1½	.	...	Can. Ind. Alc.	2¼	2¼	1½	2
3½	¾	.	...	Do. (B)	1½	1	¾	¾
5.00	3.95	.	...	Can. Int. I. Tr.	3.95	..	..	..
70	67¼	5	7.43	Do. pref.	67¼	..	..	..
42	15	1	...	Can. Lt. & Pr.	36	..	..	..
18	18	.	...	Can. Locomo.	18	..	..	..
25	14	.	...	Do. pref.	15	..	..	..
b4½	1⅞	.	...	Can. Marconi	2½	2⅝	2¼	2¼
45¼	25	1.25	4.67	Can. Pacific	28¼	27⅛	25	25⅝
28½	9	1	10.52	Can. Oil	12	11	9	9½
120	100	8	7.92	Do. pref.	115	101	100	101
6½	5	.	...	Can. P. & P. Inv.	5	5	5	5
6½	2⅞	.	...	Can. Vickers	3½	3	2⅞	2⅞
35	17	.	...	Do. pref.	22	19½	17	17
6	2½	50c	16.02	Can. Wineries	3½	3⅛	2½	3⅛
16	10	1.50	15.00	Can. Wire Box	10	10	10	10
3	1⅛	.	...	Carling Brew.	1⅛	1½	1¼	1¼
x27	20	.	...	Catelli Mac. A.	..	..	..	..
x10	9	.	...	Do. (B)	..	..	..	..
301	290	12+3	5.00	Cent. Can. Loan	295	300	300	300
5.35	1.75	.	...	Chem. Research	2.65	2.60	1.75	2.00
64	57	2	...	City Dairy	60	..	..	..
x155	120	7	...	Do. pref.	..	..	..	..
20.25	10.00	30c(c)	...	Cities Service	11.00	11.25	10.75	10.75
10	4¾	60c	12.00	Cockshutt Plow	6	6	4¾	5
9	3	.	...	Comm. Alc.	3½	..	..	..
9	6	.	...	Conduits	6	..	..	..
94	84	7	7.77	Do. pref.	90	..	..	..
12⅞	7½	1	12.30	Cons. Bakeries	8¼	8¼	7½	8
3	⅝	.	...	Cons. Food Prod.	⅝	..	..	..
6	3	.	...	Do. (A)	3	..	..	..
18⅝	10¼	80+20c	6.06	Cons. Indust.	17½	17	16	16
31	25	2	8.00	Cons. Press	25	25	25	25
80	70	7	10.00	Cons. Sand, pref.	70	..	..	..
188¼	71¾	$2.50+†3.47		Cons. Smelters	82½	82	71¾	72
187	180¾	10	5.42	Consumers Gas	185	186	184	184¼
x35	30	.	...	Cooksville Co.	..	..	..	..
x85	85	4	...	Do. pref.	..	..	..	..
20½	15	.	...	Corporate Steel	15	..	..	..
x90	90	.	...	Corr. P. Box, p.	..	..	..	..
2.10	1.00	.	...	Cosgrave Br.	1.00	1.25	1.00	1.25
9	6	.	...	Cosmos Imp.	6	6	6	6
98	75	7	8.75	Do. pref.	80	80	75	75
6½	3	3	...	Crown Dom. Oil	3½	4	3	3¾
15	8½	.	...	Crow's N. Coal	13	..	..	..
.60	.25	.	...	Curtiss-Reid	.25	..	..	..
x8	5	.	...	Do. pref.	..	..	..	..
5	4	.	...	David & Frere B.	4	..	..	..
12½	12½	.	...	De Havilland	12½	..	..	..
x15	8	.	...	Disher Steel	..	..	..	..
x18	17	1.50	...	Do. pref.	..	..	..	..
12⅞	8	1	11.11	Distill-Seagram	9¼	9¼	8	9
223	208	12+1	6.21	Dominion Bank	218	213	208	208
55¾	27¾	3	10.00	Dom. Bridge	32½	32	27¾	28
40	40	.	...	Dom. Coal	40	..	..	..
50	15	2.40	16.00	Dom. Engineer.	18	18	15	15
x14	10	.	...	Dom. Foundries	..	..	..	..
126	90	7	7.40	Dom. Glass	98	98	90	90
122	119	7	5.78	Do. pref.	121	121	121	121
20	20	.	...	Dom. Iron pfd.	20	..	..	..
14	10	.	...	Dom. Pr. Stubs.	12⅛	13½	12	12
24	24	.	...	Dom. Steel pf.	24	..	..	..
8¼	3	.	...	Dom. St. & C. B.	8¼	3⅝	3	3½
24¼	12¾	1.20	6.66	Dom. Stores	18¾	18¾	17	17½
14	8	.	...	Dom. Tar & Cr.	10	10	8	8
93	85	6.50	7.38	Do. pref.	89	89½	87	87
83	68	5	7.69	Dom. Textile	66¼	66	63	65
128	120	7	5.78	Do. pref.	121	121	121	121
12	10	.	...	Donnacona	10	..	..	..
7	2¾	.	...	Dryden Paper	3	3	2¾	3
7½	3	.	...	Duff. Paving	3	4	3	4
80	70	7	9.79	Do. pref.	71	71½	71	71½
11¾	4	40c	10.00	Durant Motors	5	5	4	4
25½	16	1	5.88	East. Dairies	20	20	17	17
20	18	50c+$1	...	East. Steel	20	18	18	18
100	97	7	7.21	Do. pref.	97	..	..	..
x25	18	.	...	East Koot. Pr.	..	..	..	..
97	94⅝	7	7.29	Do. pref.	96	..	..	..
x34	28½	2	...	East. Theatres	..	..	..	..
x85	80	7	...	Do. pref.	..	..	..	..
3¾	3¾	.	...	Easy Washer	3¾	..	..	..
37	34¾	2.50	7.14	Economic Inv.	35	..	..	..
15	15	.	...	Edmonton Da'y	15	..	..	..
80	80	6.50	...	Do. pref.	80	..	..	..
8	6	.	...	Enamel & Heat.	6	6½	6½	6½
40	30	3	10.00	Eng. Electric	30	30	30	30
16	15	.	...	Do. (B)	15	..	..	..
39½	33½	2	5.97	Fam. Players	33½	..	..	..
33½	22	2	...	Do. Vot. Trust	22	..	..	..
18	9¾	1	9.75	Fanny Farmer	10¼	12	9¾	9¾
34	28	2.40	7.50	Do. pref.	32¼	32	32	32
x.25	.10	.	...	Federal Distil.	..	..	..	..
x83⅓	75	.	...	Firstbrook Box	..	..	..	..
29¼	14½	1.20	7.38	Ford Motors A.	16½	16¾	14½	15¾
15	6	.	...	For. Pr. Secs.	7⅛	7½	6	6
16½	12	1	8.33	Foundation Co.	12	..	..	..
3	1	.	...	Fraser Cos.	1	1	1	1
8	5	.	...	Frost Steel	7	5	5	5
96½	93	7	7.52	Do. pref.	93	..	..	..
7¼	2¾	.	...	Gen. Ste. Wares	3	..	..	..
119	74½	5+2.50	8.82	Goodyear Tire	89	85	74½	74½
107⅞	99¼	7	7.00	Do. pref.	103	102	99¼	100
93¾	93¼	7	7.50	Gould Pumps, pf.	93¼	..	..	..
¾	½	.	...	Gt. W. Saddlery	½	..	..	..
8	6	.	...	Do. pref.	8	..	..	..
31	20	2	...	Gurd, Chas.	23	23	20	23
x110	108	7	...	Do. pref.	..	..	..	..
12⅞	7¼	80c	10.00	Gypsum, Lime	8¼	8⅛	7¼	7¾
20¼	7	1	13.33	Ham. Bridge	9	8½	7	7
80	72	6.50	8.99	Do. pref.	72	..	..	..
19	15	2	12.12	Ham. Cotton, pf.	18	16½	16½	16½
4½	3	.	...	Ham. Un. Theat.	4	..	..	..
63	55	7	11.66	Do. pref.	60	..	..	..
12	4	.	...	Hayes Wheel	6	6½	6½	6½
x95	80	.	...	Do. pref.	..	..	..	..
x50	50	.	...	Hillcrest Coll.	..	..	..	..
x91	91	7	...	Do. pref.	..	..	..	..
4	3½	.	...	Hinde & Dauch.	3½	..	..	..
x120	120	.	...	Holt Renfrew	..	..	..	..
x96¼	90	7	...	Do. pref.	..	..	..	..
7	7	.	...	Honey Dew	7	..	..	..
59	50	7	13.46	Do. pref.	51½	52	52	52
6	3	.	...	H. Smith Pap.	3½	3½	3	3
45¼	30	.	...	Do. pref.	30	30	30	30
20	15	2	11.11	Humberstone Sh.	18	18	15	15
23½	18	1.40+50	8.26	Hunt (A)	23	..	..	..
23¼	19	1.40+50	8.16	Do. (B)	23¼	..	..	..
150	148	8	5.40	Huron & Erie M.	149½	148	148	148
29¼	28½	.	...	Do. 20% paid.	28½	28½	28½	28½
29⅞	16¾	1.40	8.34	Hydro Electric	17	16¾	16¾	16¾
225	201	12+1	6.39	Imperial Bank	205	203	201	201
18⅜	9¾	50+50c	9.52	Imperial Oil	10⅞	11½	9¾	10
10½	9	35+20c	6.11	Imperial Tob.	9½	9½	9	9⅛
29	22	2	...	Int. Hyd. E. (A)	22	..	..	..
103	99	7	7.00	Inter. Mill., pf.	100	100	99	99
x92	88	6	...	Do. Series (A)	..	..	..	..
20½	9⅞	60c	6.00	Inter. Nickel	12	12	9⅞	10
10	5	.	...	Inter. Paints	5	5	5	5
b10	4½	.	...	Int. Pa. & Pr. A	4½	4⅞	4⅝	4⅝
b6	2½	.	...	Do. (B)	3	..	..	..
b4½	1⅞	.	...	Do. (C)	2	2	1⅞	1⅞
b43½	23	7	...	Int. Paper, pfd.	25	24⅞	23	23
15½	9⅛	1	10.13	Inter. Pete.	10⅝	10½	9⅛	9¼
8	5½	.	...	Inter. Power	6	6	5½	5½
70⅛	60	7	11.66	Do. pref.	60¼	61	60	60
45	33	3.50	9.72	Int. Util. (A)	38	38	34¾	34¾
11	5¾	.	...	Do. (B)	6	6½	5¾	5¾
40	40	1	2.50	Jam. Pub. Ser.	40	..	..	..
109	106½	7	6.57	Do. pref.	106½	..	..	..
5	3¾	.	...	Kelvinator	4⅞	4½	4½	4½
79	73¾	7	9.55	Do. pref.	73¼	73¼	73¼	73¼
x40	40	.	...	King Ed. Hotel	..	..	..	..
24	9⅞	.	...	Lake of Woods	10½	10	9⅞	10
101	95	7	7.36	Do. pref.	95	..	..	..
x190	180	8	...	Landed Banking	..	..	..	..
46	34¾	3	8.51	Laura Secord	36	36	34¾	35
16	9	1	11.11	Lindsay, C. W.	11	10	9	9
72½	67	6.50	9.70	Do. pref.	68	67	67	67
14⅜	11	80c	6.95	Loblaw (A)	12½	12¼	11	11½
14⅜	10	80c	7.44	Do. (B)	11⅝	11½	10½	10½
x2¾	2¾	.	...	Loew's, London	..	..	..	..
25	10	.	...	MacKin. Steel	20	..	..	..
95	92	7	7.60	Do. pref.	92	..	..	..
x36	20	.	...	Manitoba Pr.	..	..	..	..
8	6	.	...	Maple Leaf	6	..	..	..
40	25	.	...	Do. pref.	30	..	..	..
32	30	.	...	Marcus Loew's	30	30	25	25
71	71	7	9.85	Do. pref.	71	..	..	..
10½	3⅞	.	...	Massey-Harris	4½	5	3⅞	4
22½	9⅜	60c	5.45	McColl Fron.	11⅝	11⅞	9⅜	10
80	69⅝	6	8.57	Do. pref.	73⅜	70	69⅝	69⅝
45	42	.	...	Mexican L. & P.	42	..	..	..
x25	.25	.	...	Mercury Mills	..	..	..	..
x89	58½	.	...	Do. pref.	..	..	..	..
40½	40		2.50	Mitchell, J. S.	40	40	40	40
105	105	7	6.66	Do. pref.	105	..	..	..
20	14	1	7.14	Mitchell, Robt.	15	14	14	14
1	1	.	...	Monarch Knit.	1	..	..	..
38	38	.	...	Do. pref.	38	..	..	..
95½	83½	6	7.18	Montreal Cot.	85	83½	83½	83½
102	98	7	7.14	Do. pref.	100	98	98	98
3½	3	.	...	Montreal Ex.	3	..	..	..
20	15⅞	.	...	Mont. Is. Pr.	16	16	16	16
68¼	38⅛	1.50	3.31	Mont. L. & Pr.	50	49¼	38⅛	40
49½	48	3+25	6.77	Montreal Loan	48	48	48	48
52	48	3.20	6.53	Montreal Tele.	49	..	..	..
177	160	10	6.25	Mont. Trams.	160	..	..	..
17¾	11½	1	8.69	Moore Corp., c.	12½	12½	11½	11½
108½	100	7	7.00	Do. (A)	100¼	100	100	100
126	108	7	6.36	Do. (B)	110	110	108	108
x10	10	.	...	Mt. Royal Hotel	..	..	..	..
x49	49	1	...	Do. pref.	..	..	..	..
3¼	2	80c	...	Muirheads	2	2	2	2
10	6	75c	7.50	Do. pref.	8½	10	9½	9½
35¾	24	1.60	6.14	Nat. Brew.	26¾	26	24	24¼
34¾	29	1.75	5.38	Do. pref.	32½	32½	32½	32½
x10	3	.	...	Nat. Brick	..	..	..	..
19	5	.	...	Do. pref.	5	5	5	5
.50	.25	.	...	Nat. Distilleries	.50	..	..	..
42	18½	2	10.00	Nat. Steel Car.	22	20	18½	19½
360	290	14	4.82	National Trust	300	290	290	290
18	11	1.50	13.63	Niag. W. Weav.	11	..	..	..
36	35	3	8.57	Do. pref.	35	..	..	..
x90	89¾	.	...	Nor. Mex. Pr.	..	..	..	..
70	70	7	10.00	Do. pref.	70	..	..	..
6.00	2.00	.	...	North Star Oil	2.50	2.50	2.00	2.00
4.95	4.50	35c	7.44	Do. pref.	4.70	..	..	..
x25	22¼	.	...	N.S. Steel, pref.	..	..	..	..
285	125	8+5	10.40	Ogilvie Flour	150	150	125	125
130	118¼	7	5.78	Do. pref.	121	..	..	..
21	15	6	8.75	Ont. Eq. 10% p.	17	16	15	16
118	113	6	5.08	Ontario Loan	117	118	118	118
5½		.	...	Ont. Silknit	5	..	..	..
16	13	80c	6.15	Ont. Steel	13	..	..	..
x105	105	7	...	Do. pref.	..	..	..	..
1¼	1	.	...	Orange Crush	1	..	..	..
60	50	7	13.20	Do. (A)	51½	54	52	52
5½	4	.	...	Do. (B)	4½	5	5	5
98	90	6	6.38	Ott. L. H. & Pr.	92	94	94	94
104	102¼	6.50	6.31	Do. pref.	103	103	103	103
25	25	.	...	Ott. Traction	25	..	..	..
92⅞	68	5	6.99	Page Hersey	71¼	72	68	68
49	28	2.50	8.92	Paramount	28	..	..	..
35	34	.	...	Paton Mfg.	35	..	..	..
82	82	7	...	Do. pref.	..	82	82	82
½	¼	.	...	Pelissiers	⅝	..	..	..
25	25	.	...	Do. pref.	25	..	..	..
73	38½	4	10.39	Penmans	40	38½	38½	38½
101	100	6	5.94	Do. pref.	100	101	101	101
.75	.50	.	...	Perfection Glass	.50	.50	.50	.50
29	18	2	8.88	Photo Eng.	23	23	22½	22½
40	10	.	...	Port Alfred, pf.	10	..	..	..
70	64	7	10.29	Porto Rico P. p.	68	..	..	..
b39½	24	.	...	Postal Tele.	..	..	..	..
63½	39¼	2	4.59	Power Corp.	46½	45½	39¼	39¼
102	96	6	6.25	Do. pref.	98	98½	96	96
4½	3	.	...	Prairie C. Oil.	3	..	..	..
16	9	50c	5.26	Pressed Metals	11	10½	9	9
42⅜	30	2	6.66	Price Bros.	31	30½	30	30
99	84	6.50	7.73	Do. pref.	84	84	84	84
49	32¾	2.50	7.46	Quebec Power	35	35	32¾	32¾
110	105	7	6.66	Real Estate In.	105	..	..	..
3	1	.	...	Regent Knit.	2	1	1	1
10	5½	.	...	Reliance Grain	10	..	..	..
16	9	2	20.00	River. S. Mills	12	10	9	10
19½	11	1.50	13.63	Robinson Cone	16½	11	11	11
16½	10	1.20	10.66	Rogers Majestic	11½	11¼	10½	10½
291	236	12+2	5.88	Royal Bank	245	247	236	237
84	83	7	8.33	Ruddy, E. L., p.	84	..	..	..
77¾	70½	5	6.99	Russell Motor	72½	71½	70½	70½
95	87¼	7	8.02	Do. pref.	89	87¼	87¼	87¼
7	7	.	...	Sarnia Br. (A)	7	..	..	..
x12	5	.	...	Do. (B)	..	..	..	..
36⅝	9½	1.60	15.60	Serv. Stn. Eq.	12	12	9½	10
90½	54	6	10.90	Do. pref.	55	56	55	56
59½	35	2.50	6.28	Shawinigan	40½	40¼	35	35
30	21	1.60	7.26	Sher.-Wms.	25	23½	21	22¼
121	117	7	5.78	Do. pref.	119	121	120	121
22	14	2.50	17.84	Simon & Son	15	15	14	14
92	88¼	7	7.93	Do. pref.	88¼	88¼	88¼	88¼
92½	74⅞	6.50	8.55	Simpsons Ltd.	80	79¾	74⅞	74⅞
44½	40	2	5.00	Do. (A)	40	..	..	..
35½	24½	.	...	Do. (B)	29	..	..	..
108	104	6	5.60	Simpson, Robt.	107	107	107	107
4	1	.	...	St. Law. Corp.	1	1	1	1
12	2½	1	...	Do. (A)	4½	4	2½	4
20	16¼	.	...	St. Law. Flour	16½	..	..	..
85	82	7	8.23	Do. pref.	85	..	..	..
30⅛	10	3	...	St. Law. Pap. p.	13	10	10	10
30	4	.	...	St. Maur. V., pf.	4	4	4	4
32	23	1	4.30	So. Can. Pr.	25⅛	25⅛	23	23⅛
106¼	104¾	6	5.66	Do. pref.	106	106	105½	106
16⅛	7	7	...	St. Pav. & Mat.	9	8⅞	7	7½
80	70	7	10.00	Do. pref.	70	..	..	..
1	1	.	...	Stanfords	1	..	..	..
15	8	1	12.50	Stand. Chem.	8	..	..	..
9⅞	3¾	.	...	Stand. Steel	4	4	3¾	4
35	32	3	9.37	Do. pref.	32	..	..	..
42¼	25	1.75	6.30	Steel of Can.	29	29	25	26
37	29¾	1.75	5.83	Do. pref.	30	30½	29¾	30
4½	2⅜	.	...	Sterling Coal	2⅛	..	..	..
32½	12¾	1	6.55	Super. Pet. ord.	17	17	12¾	14¼
105	98	7	7.10	Do. pref.	98	98½	98½	98½
31	19	1	5.26	Do. com.	19	..	..	..
49	41	.	...	Tamblyn	41	..	..	..
104½	101	7	6.76	Do. pref.	103½	103½	103½	103½
30	20	3.50	12.50	Thayers, pref.	30	28	28	28
13	7	.	...	Tip Top Tailors	7	7	7	7
90	78	7	8.97	Do. pref.	79	78	78	78
22	21½	.	...	Tooke Bros.	21½	..	..	..
67	65	7	10.76	Do. pref.	65	..	..	..
15	9½	.	...	Tor. Elevators	11	..	..	..
235	215	12	5.58	Tor. Gen. Trusts	220	215	215	215
115	108	6	5.31	Toronto Mtge.	114	113	113	113
3	1¼	.	...	Traymore	1¼	..	..	..
12½	10½	1.40	13.32	Do. pref.	12	10½	10½	10½
126	120	7	5.60	Tuckett Tob. pf.	125	..	..	..
17¼	7	4 (scrip)	...	Twin City	9¼	7½	7	7
b62	41¼	7	...	Do. pref.	..	..	..	..
16	9½	1	9.75	Union N. Gas	10½	10½	10	10
101½	98	7+1	8.00	Union Trust	101	100	100	100
8	7	.	...	United Fuel	7	..	..	..
65	45	4	8.88	Do. pref.	45	..	..	..
55	49⅝	2	4.00	United Secs.	50	..	..	..
24¼	8¼	.	...	Viau Biscuit	16	14	14	14
85	75	7	8.56	Do. pref.	81¾	..	..	..
30	20	.	...	Wabasso Cot.	20	..	..	..
8½	4¼	50c	10.00	Walker-Good.	5	5½	4¼	4¾
7¾	2	.	...	Waterloo Mfg.	2	..	..	..
45	30	1	2.63	Weston	38	38	38	38
90	80	7	8.75	Do. pref.	80	..	..	..
17½	8	.	...	West. Can. Flour	11	8	8	8
96	80	6.50	8.12	Do. pref.	80	80	80	80
17	10	.	...	West. Grocers	17	..	..	..
55	45	7	14.89	Do. pref.	47	..	..	..
91	85	6.50	7.14	W. St. Prod. pf.	91	..	..	..
x9	9	.	...	Whittall Can.	..	..	..	..
13	10	.	...	Windsor Hotel	12	..	..	..
78	71	6.50	9.15	Do. pref.	71	..	..	..
21½	10	.	...	Winnipeg Elec.	14	14	10	11¾
81½	65	7	10.76	Do. pref.	69	65	65	65
‡30	30	.	...	Woods Mfg.	..	..	..	..
40	36	.	...	Do. pref.	36	..	..	..
80	80	7	8.75	Wood, Alex. J. p.	80	..	..	..
x2½	1½	.	...	Zimmerknit	..	..	..	..
7	7	7	...	Do. pref.	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Stock dividend.
b New York quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.
† Stock bonus.

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Agnew Surpass pfd.	7%	1¾%	July 2	June 15
Andian National	...	$1	June 12	June 2
Assoc. Breweries	$1	25c	June 30	June 15
Do., pref.	7%	1¾%	July 1	June 15
Abitibi	7%	1¾%	July 2	June 20
Brazilian Traction pfd.	6%	1½%	July 2	June 15
Brand.-Henderson pfd.	7%	1¾%	July 2	June 1
Belding Corticelli, com.	7%	1¾%	Aug. 1	July 15
Bank of Nova Scotia	16%	4%	July 2	June 15
British Amer. Oil	80c	20c	July 2	June 13
Belding Corticelli pfd.	7%	1¾%	June 15	May 30
Building Products "A"	$2	50c	July 2	June 15
Bell Telephone	8%	2%	July 15	June 23
B.C. Power "A"	$2	50c	July 15	June 30
Canada Malting	$1.60	37½c	June 15	May 30
Can. Celanese pref.	7%	3½%	June 30	June 13
Central Can. Loan	12%	3%	July 2	June 15
Claude Neon Gen. Adv. pfd.	7%	1¾%	June 15	May 31
Canada Trust	10%	5%	July 2	June 15
Can. Wire & Cable "A"	$4	$1	June 15	May 31
Do.	...	$1	Sept. 15	Aug. 31
Do.	...	$1	Dec. 15	Nov. 30
Can. Wire & Cable "B"	$1.75	43¾c	June 15	May 31
Can. Wire & Cable pref.	6½%	1⅝%	June 15	May 31
Canadian Oil, pref.	$8	$2	July 1	June 20
Canadian Car, pref.	$1.75	44c	July 10	June 25
Can. Pacific Rly ord.	5%	1¼%	June 30	June 1
Can. Cotton, pref.	6%	1½%	July 4	June 20
Canada Cement, pref.	6½%	1⅝%	June 30	May 30
Canada Permanent Mtge.	12%	3%	July 2	June 15
Can. Canners 1st pfd.	6%	1½%	July 2	June 15
Do., conv. pref.	80c	20c	July 2	June 15
Do., com.	50c	12½c	July 2	June 15
Can. Gen. Electric	$4	$1	July 1	June 13
Do., pref.	7%	1¾%	July 1	June 13
Cooksville Co. pref.	4%	1%	June 15	May 30
Can. Northern Power, com.	80c	20c	July 25	June 30
Can. Bakeries, pref.	$4	$1	June 15	May 30
Can. Northern Pr., pref.	7%	1¾%	July 15	June 30
Consolidated Smelters	$2.50	$1.25+a	July 15	....
Dominion Stores	$1.20	30c	July 1	June 15
Dome Mines	$1	25c	July 20	June 30
Dominion Bridge	$3	75c	Aug. 15	July 31
Dominion Bank	12+1%	3%	July 2	June 20
Dominion Glass	7%	1¾%	July 2	June 15
Do., pref.	7%	1¾%	July 2	June 15
Dominion Textile	$5	$1.25	July 2	June 15
Do., pref.	7%	1¾%	July 15	June 30
David & Frere "A"	$2.25	57c	June 15	May 30
East Koot. Pr. pref.	7%	1¾%	June 15	May 30
Famous Players	$2	50c	June 27	June 5
Fanny Farmer	$1	25c	July 1	June 15
Do., pref.	$2.40	60c	July 1	June 15
Ford Motor	$1.20	60c	June 20	May 29
Gurd, Chas.	$2	50c	July 2	June 15
Do., pref.	$7	$1.75	July 2	June 15
Hydro Electric Secs.	$1.40	35c	June 19	June 3
Huron & Erie Mtge.	8%	2%	July 2	June 15
Hollinger Mines	65c	1%	June 17	June 3
Ham. United Theatres, pfd.	7%	1¾%	June 30	May 30
Inter. Nickel, com.	60c	15c	June 30	June 1
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 2
Inter. Petroleum	$1	25c	June 15	May 30
Inter. Proprietaries "A"	$2.60	65c	June 15	May 25
Imperial Tobacco, com.	7%	1¾%	June 30	June 3
Jam. Public Ser. Ltd.	$1	25c	July 2	June 15
Jam. Public Ser., pref.	$7	$1.75	July 2	June 15
Lake Shore Mines	$1.20	30+30c	June 15	June 1
McColl Frontenac, com.	60c	15c	June 15	May 15
Mercury Oils	...	5c	July 2	June 15
Montreal Cotton	6%	1½%	June 15	May 30
Do., pref.	7%	1¾%	June 15	May 30
Montreal Loan	12+1%	3%	June 15	May 31
Model Oils	...	3c	June 20	June 10
National Breweries	$1.60	40c	July 2	June 15
Do., pref.	$1.75	44c	July 2	June 15
Ontario Loan	12%	3%	July 2	June 15
Ontario Silknit, pfd.	7%	1¾%	June 15	June 1
Pioneer Gold Mines, B.C.	12%	3c	July 2	June 12
Power Corp. cum. pfd.	6%	1½%	July 15	June 30
Do., non-cum. pfd.	6%	75c	July 15	June 30
Page Hersey	$5	$1.25	July 1	June 20
Do., pref.	7%	1¾%	July 1	June 20
Quebec Power	$2.50	62½c	July 15	June 25
Ruddy, E. L., pref.	7%	1¾%	June 15	May 30
Reliance Grain, pref.	6½%	1⅝%	June 15	May 31
Sher. Williams	$1.60	40c	June 30	June 15
Do., pref.	7%	1¾%	June 30	June 15
Standard Steel pref. "A"	$3	75c	July 1	June 15
Sylvanite Gold	4%	2%	June 30	May 29
Supersilk Hosiery, pref.	7%	3½%	July 1	June 13
Service Stations pref.	6%	1½%	Aug. 1	July 15
Do., Series "A" pref.	6%	1½%	Aug. 1	July 15
Do., Class "A" & "B"	$1.60	40c	July 2	June 15
Standard Chemical	...	$1	June 26	May 26
Southern Can. Power, pfd.	6%	1½%	July 15	June 20
Shawinigan W. & Pr.	$2.50	62½c	July 10	June 16
Supertest Pete "A" pfd.	7%	1¾%	July 1	June 12
Do., "B" pfd.	6%	1½%	July 1	June 12
Do., com. and ord.	$1	25c	July 1	June 12
Tuckett Tobacco, pref.	7%	1¾%	July 15	June 30
Twin City, pref.	$7	$1.75	July 1	June 12
United Securities	$2	50c	July 15	June 23
Union Natural Gas	$1	25c	June 10	May 30
Walker, Hiram	50c	12½c	June 15	May 22
Wellington Oil & Gas	...	5c	....	May 15
Winnipeg Electric, pref.	7%	1¾%	July 1	June 6
Western Can. Flour, pfd.	6½%	1⅝%	June 15	May 30

a—Stock bonus.

Foreign Exchange

	New York Funds High	Low (Premium)	Last Year High	Low (Premium)
May 27	1-32	1-64	3-64	1-32
May 28	1-32	1-64	3-64	1-64
May 29	1-16	1-32	1-16	1-64
May 30	3-64	1-32	1-16	3-64
June 1	1-16	1-32	1-16	3-64
June 2	1-16	3-64	1-16	3-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
May 27	4.86 1-4	3.91 3-8	5.23 5-16
May 28	4.86 3-8	3.91-11-32	5.23 5-16
May 29	4.86 3-8	3.91 3-4	5.23 3-8
May 30	....	....	....
June 1	4.86 17-32	3.92	5.23 3-8
June 2	4.86 5-8	3.91 27-32	5.23 5-16

FOREIGN EXCHANGE

Par		May 19	May 26	June 2
5.26	Italian	5.23⅞	5.23⅝	5.23¼
23.80	German	23.83	23.76	23.75½
13.90	Belgian	13.91	13.91	13.92
49.80	Japanese	49.45	49.40	49.45

Winnipeg Grain Prices

Week to June 2

Crop Year from Aug. 14 High	Low		Open May 27	High for week	Low for week	Close June 2
		Wheat				
1.13⅞	.62½	May	.59¼	.60	.57⅝	....
.77¼	.54	July	.60½	.60¾	.58⅞	.60
.70⅜	.57⅞	October	.62	.62½	.60¼	.61⅝
.63½	.62	December	....	.63½	.62	.62⅝
		Oats				
.52	.26⅜	May	.28⅛	.28⅝	.27½	....
.33½	.26¾	July	.28⅝	.29	.28	.28⅝
.34⅛	.27¾	October	.29¾	.30	.29	.29¾
		Barley				
.49	.27⅞	May	.30½	.30¾	.28⅝	....
.33⅛	.23¼	July	.30⅞	.31⅛	.28¾	.30¾
.35	.25½	October	.32⅛	.32½	.30	.32
		Flax				
1.82½	.94¼	May	1.06¾	1.06¾	1.03⅛	....
1.11	.95½	July	1.07½	1.07⅞	1.02¼	1.03⅛
1.13¾	.99½	October	....	1.09¼	1.05	1.05¾
		Rye				
.71	.26⅛	May	.34⅜	.35¼	.33	....
.75	.25½	July	.35½	.36	.34	.34⅜
.40⅛	.31⅜	October	.38	.38⅝	.36¼	.36¾
.39	.38¼	December	....	.39	.38¼	.38½

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week of June 2

High to date*	Low		Close May 26	High for week	Low for week	Close June 2
		Wheat				
.67¾	.59⅞	May	.61⅞	.63	.62¾	....
.68⅞	.61¼	July	.63½	.63¾	.62¼	.63
.70¼	.63½	October	.65⅜	.65¾	.64¼	.66
.66	.66	December	....	....	....	.66

*Since trading opened March 3, 1931.

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited)
June 2, 1931

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.20	.40
Acadia Sugar pfd.	1.75	2.25
Allens London pfd.	30.00	....
Andian Nat'l Corp.	19.00	23.50
Brand.-Hend. com.	....	24.00
Brewing Corp. of Can. com.	....	1.10
Brewing Corp. of Can. pfd.	8.00	11.00
B.C. Pulp & Paper com.	1.75	....
B.C Pulp & Paper 7% pfd.	35.00	50.00
Canada Biscuit pfd.	....	9.00
Can. Crushed Stone pfd.	....	78.00
Can. Dom. Sugar c.	15.00	17.00
Can. Mach. c.	5.25	8.00
Can. Mach. 7% pfd.	20.00	30.00
Can. Packers c.	13.50	15.50
Can. Pack. 7% pfd.	92.50	95.50
Can. Starch pfd.	70.00	....
Can. Wire & Cable pfd. w.w.	97.50	103.00
Can. Indust. c. "A"	120.00	130.00
Can. Indust. c. "B"	120.00	130.00
Can. Indust. 7% pf.	121.50	....
Can. Investors c.	8.00	12.00
Can. Westinghouse	....	67.00
Chase, A. W. 8% pfd.	40.00	48.00
Cons. Oka Sand & Gravel c.	4.00	8.00
Copeland Flour 6% pfd.	....	16.00
Dom. Foundries & Steel pfd.	65.00	70.00
Dom. Foundries & Steel com.	8.00	9.75
Dom. Mfrs. pfd.	70.00	....
Dunlop Tire 7% pfd.	98.50	102.50
Eastern Car 6% pfd.	....	60.00
Eastern Dairies 7% pfd.	95.00	100.00
Edmonton Stk. Yds. pfd. bonus	....	76.00
Goderich Elev. & Transit	15.00	17.50
Greening Wire 7% pfd.	90.00	98.00
Guardian Rlty pfd.	51.00	....
Harding Carpet pfd.	....	68.00
Inter-City Bak. c.	45.00	....
Internat. Proprietaries "A"	....	32.50
Loew's London c.	....	2.00
Loew's London 7% pfd.	2.00	3.75
Mansfield Theatre pfd.	50.00	....
Maritime Tel. & Tel. com.	13.00	16.00
Maritime Tel. & Tel. pfd.	15.00	18.00
Morrow Screw Nut 7% pfd.	94.00	....
Nat. Grocers c.	1.05	....
Nat. Grocers 2nd 7% pfd.	43.50	51.00
Para. Oshawa c.	10.00	....
Prov. Paper pfd.	....	80.00
Rolland Paper pfd. bonus	54.00	64.00
Stand. Clay Prod. c.	26.00	....
Stand. Fuel pfd. bonus	73.00	81.00
Supertest Petroleum "B" pfd.	18.00	24.00
Toronto Brick pfd.	66.00	....
Toronto Carpet c.	110.00	....
Toronto Carpet 8% pfd.	99.00	....
Toronto Elevator 7% pfd.	....	90.00
Toronto Housing c.	30.00	....
United Amuse. "A"	26.00	36.00
Willards Choc. 8% pfd.	....	55.00
Willards Choc. c.	....	4.60
Insurance Stocks:		
Brit. Amer. Assce.	46.00	....
Canada Life Assur.	650.00	700.00
Canada Nat'l Fire	24.00	29.00
Can. Fire Insce.	76.00	86.00
Capital Life 20% pd.	....	24.00
Comm. Life 10% pd.	....	25.00
Confed. Life 20% pd.	255.00	295.00
Continental Life 20% pd.	70.00	....
Crown Life	240.00	285.00
Dominion Fire	105.00	130.00
Dom. of Can. Gen.	215.00	240.00
Dom. Life 50% pd.	290.00	320.00
Excelsior Life 30% pd.	112.50	130.00
Fed. Fire 25% pd.	30.00	....
Fidelity Ins. of Can.	....	110.00
Great West Life	480.00	520.00
Guarantee Co. of N. A.	240.00	....
Imperial Life	400.00	450.00
Manufac. Life	300.00	335.00
Monarch Life 10% pd.	29.50	33.00
Nat. Life 25% pd.	110.00	125.00
Saskatchewan Life 10% pd.	....	19.00
Sovereign Life 25% pd.	28.00	32.00
Sun Life Assur.	900.00	1100.00
Western Assur. c.	43.00	50.00
Western Life 20% pd.	10.00	....
Trust, Loan and Bank Stocks:		
Br. Mtge. & Trust	175.00	....
Can. Gen. Invest. Trust 1st	....	33.00
2nd Can. Gen. Inv.	....	10.00
Chartered Trust	102.50	114.00
Comm. Fin. pfd.	48.00	56.00
Comm. Fin. c.	4.25	....
Debf. & Sec. c.	65.00	75.00
Deb. & Sec. pfd.	61.00	70.00
Guelph & Ont. Inv. par $50	60.00	65.00
Lambton Loan & Savings	78.00	....
London & Western Trust	....	172.50
Midland Loan & Savings	17.50	26.00
Mtge. Disct. pfd.	3.50	5.00
Mutual Finance pfd.	....	6.50
Provincial Bank	120.00	130.00
Sec. Loan & Sav.	110.00	....
Sherbrooke Trust	112.50	....
Sterling Trust	85.00	....
Traders Fin. pfd.	....	80.00
Traders Finance c.	....	15.00
Trusts & Guarantee	78.00	88.00
Waterloo Trust & Savings	122.50	....
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	103.50	105.50
Calgary Pwr. pfd.	89.75	94.00
Can. Light & Pwr. com.	32.00	42.00
Can. Northern Pwr. pfd.	105.00	108.00
Can. West. Nat. Gas LH&P com.	51.00	....
Can. West. Nat. Gas LH&P pfd.	85.00	90.00
East Kootenay Pwr. pfd.	95.00	100.00
Great Lakes Power pfd.	93.50	96.50
N.B. Pwr. 1st pfd.	66.00	....
N.S. L&P pfd.	91.00	96.00
Ottawa LH&P 6½% pfd.	102.00	....
Power Corp. 6% pf.	98.00	102.00
Recent London Quotations:		
Brewer Distillers		3s. 9d.
Can. & For. Sec.		8s. 9d.
Can. West. Lumber		2s.
Hudson's Bay		21s. 3d.
Do., 5% pfd.		60s.
Internat. Holdings		2
Nfld. Pr. & Pap. deb. stk.		105

Active Current Bond Prices

	Bid	Asked	Yield
Dominion of Canada 5½/33	105	105.50	3.20
Dominion of Canada 5½/34	105	105.50	3.80
Dominion of Canada 5/43	105.75	106.50	4.30
Dominion of Canada 4½/46	102	102.60	4.28
C. N. R. 4½/54 (D. of Canada)	101.75	102.75	4.30
C. N. R. 5 /54 (D. of Canada)	106	107	4.55
C. N. R. 4¾/55 (D. of Canada)	103.75	104.50	4.48
C. N. R. 4½/56 (D. of Canada)	102	102.75	4.35
C. N. R. 5 /69 (D. of Canada)	107.50	108.50	4.55
Province of Ontario 4½/44	100.75	102.50	4.30
Province of Ontario 5 /48	106	107	4.48
Province of Ontario 4¾/70 (Hydro)	103.50	104.50	4.50
Province of Quebec 4½/50	101.50	103	4.20
Province of Quebec 4½/56	101.50	103	4.20
Abitibi Power & Paper 5/53	48	52	11.00
Algoma Steel Corporation 5/62	40	46	8.35
Argentine Gov't. 6/58 Ser. B	67	70	8.75
Bell Telephone Co. of Canada 1st, 5/57	106.50	107.50	4.55
Brasil, U. S. Ext. S. F. 6½/57	33	35	14.50
British American Oil 5/45	96	99	5.10
British Columbia Power 5½/60	102.50	104	5.25
British Columbia Telephone 5/60	99.50	101	4.95
Calgary Power 5/60	99.50	97	5.20
Canada Cement 1st Mtge. S. F. 5½/47	99	102	5.30
Canada Northern Power 5/53	89	93	5.55
Canada Light & Power 1st, S. F. 6/49	96	98	5.15
Canada Steamship Lines 1st & Gen. 6/41	55	60	11.75
C. P. R. Secured 4½/44 Notes	103	104	4.60
C. P. R. Collateral Trust 5/64	98	100	4.50
Chile Republic Ext. S. F. 6/60	54	56	11.00
Colombia Republic Ext. S. F. 6/61	53	55	10.00
Davies, Wm. 6/42	93	96	6.35
Dominion Steel Corporation 6/39	75	80	9.50
Dominion Square Corporation 6/48	78	82	7.90
Dominion Tar & Chemical 6/49	101.50	103	5.70
Dominion Textile 6/49	105.50	107	5.35
Duke Price Power 1st, 6/66	104	106	5.60
Eastern Dairies, Convertible 6/49	98.50	101	5.90
Eaton, T. Realty, 5/49	95	97	5.25
Foreign Power Securities Corp. 6/49	85	90	6.68
French National Mail Ext. S. F. 6/52	104	106	5.50
Gatineau Power, 1st Mtge. 5/56	86	90	5.75
Gatineau Power, S. F. Debs., 6/41	75	80	9.00
Howard Smith Paper Mills 5½/53	60	65	8.50
Manitoba Power, 1st, S. F. 5½/51	90	93	6.08
Massey-Harris, 1st Mtge. 5/47	67	60	8.50
MacLaren Quebec Power 5½/61	94	96	5.78
Montreal Coke, 1st, 5½/47	102	103	5.20
Montreal Island Power 5½/57	100	102	5.35
Montreal Light, Heat & Power 5/51	105	106	4.55
Montreal Tramways 1st, Coll. Trust 6/41	101	102.25	4.75
Montreal Tramways Gen. Ref. 4½/55	85	90	5.20
Montreal Tramways 5/55	93.50	96	5.30
Moodie, J. R. 6/48	97	100	6.00
Nova Scotia Steel & Coal, 1st 5/59	58	64	8.50
Nova Scotia Steel & Coal 6% Debs.	25	36	...
Ogilvie Flour Mills 6/32	100.50	102	4.60
Ontario Power Service 5½/50	79	84	6.80
Power Corporation of Canada 4½/59	84	89	5.25
Price Bros. 1st S. F. Ser. "A" 6/43	96	99	6.10
Quebec Power 1st, Mtge. Coll. S. F. 5/68	102.50	104	4.75
Shawinigan Water & Power 4½/70	97	98.50	4.60
Shawinigan Water & Power 5/70	104	105.50	4.72
Simpsons 6/49	99	101	5.90
Southern Canada Power 1st, 5/55	101.50	102.50	4.85
United Securities Coll. Trust 6½/52	100.50	102	5.30
West Kootenay Power 5/56	99	101	4.90
Windsor Hotel 6½/43	102.50	104.50	5.90
Windsor Hotel 6/47	97	100	6.00
Winnipeg Electric 5/35	99	101	4.75
Winnipeg Electric 6/54	89	94	6.50

Winnipeg Stock Exchange

May 26

	Bid	Ask
Beaver Fire	125	..
Beaver Lumber c.	..	19
Do., pref.	90	100
Can. Am. Tr. shs.	..	535
Can. Fire Ins.	..	85
Can. Indemnity	126	..
Crescent Creamery	90	..
Gt. West Life	..	510
Home Investment	50	..
Monarch Life	..	32
North. Can. Mtge.	15	..
Northern Trust	..	40
Traders Bldg.	87	..
Un. Gr. Growers	12	14
West. Breweries	2¾	3

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CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of TWELVE PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

THURSDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1931.

By order of the Board.
WALTER F. WATKINS,
Secretary.

Toronto, May 13th, 1931.

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NEW STRUCTURE ALGOMA STEEL GETS APPROVAL

Senate and Railway Committee of Commons Act Favorably

From Our Own Correspondent

MONTREAL.—Financial structure of Algoma Consolidated Corp., which recently came into being as a holding company controlling Lake Superior Corp., Algoma Central Terminals and Algoma Steel Corp., has been approved by the Railway Committee of the House of Commons. The committee also has passed the bill respecting the Algoma Central & Hudson Bay Railway. It had previously been approved by the Senate.

It will be recalled that Algoma Consolidated Corp. came into being last January, as a result of the successful negotiations to relieve Lake Superior Corp. of its guarantee in respect to the guarantee of the principal and interest on the bonds of Algoma Central and Hudson Bay Railway and Algoma Central Terminals.

Assets of Holding Firm

Under the agreement Algoma Consolidated has a capital of $3,092,550 of 5 per cent income debenture stock; $2,000,000 of 7 per cent cumulative preferred stock and 800,000 shares of no par value common stock.

Algoma Consolidated will hold, when all details are complete, $4,123,400 of 5 per cent mortgage bonds of Algoma Central Railways; $318,800 of 6 per cent second mortgage bonds of Algoma Central Railways; 214,585 common shares of the same company; 6,666 shares of Northern Ontario Lands Co.; $5,000,000 of Algoma Steel Corp. common stock; $3,333,333 of Algoma Steel preferred stock; 400,000 common shares of Lake Superior Corp.; and one-third of the cash proceeds of the sale of Algoma Eastern Railway.

Lake Superior Exchange

Lake Superior Corp. shareholders are asked to exchange their stock on the basis of one share of 7 per cent cumulative preferred stock and one share of common stock in the new holding company. Lake Superior turns over to Algoma Consolidated $5,000,000 of Algoma Steel common, $3,333,333 of Algoma Steel preferred stock; 6,666 shares of Northern Ontario Lands, and $318,800, 6 per cent second mortgages of Algoma Central Railways, and its common stock holdings in the last named company.

Lake Superior will retain control of $10,000,000 of Algoma Steel common stock, $6,666,666 of Algoma Steel preferred; $5,800,000 of Algoma Steel Purchase money; all the common stock of British America Express; Cannelton Coal, Fiborn Limestone; Lake Superior Coal, Algoma Steel Products, and one-third interest in Northern Ontario Lands.

Railway Capital Reconstructed

Under the scheme of arrangement, the existing $10,080,000 bonds of the Algoma Central & Hudson Bay Railway Co. will be cancelled, the $5,000,000 5 per cent non-cumulative preference stocks will be reduced to $500,000 and the $5,000,000 common stock will be converted into 420,755 shares of $10 each.

Bondholders of the railway company will receive $6,185,000 of new 5 per cent first mortgage income securities of the railway company, $3,092,550 of 5 per cent income securities of Algoma Consolidated, trust certificates for 200,000 shares of common stock of Algoma Consolidated, and 106,170 shares of common stock in the railway company.

Algoma Central & Hudson Bay Railway preferred stockholders will get $500,000 of 5 per cent non-cumulative preferred stock.

Terminals Sell Subsidiary

It is proposed that Algoma Central Terminals shall sell the $900,000 of bonds and the $99,300 of shares of Algoma Eastern Terminals held by it to be used in redeeming 40 per cent of its outstanding bonds at 70 per cent of par. The remainder of the issued and outstanding bonds will be exchanged for $615,540 of 5 per cent first mortgage debenture stocks and bonds of the terminal company.

Senate Hears Bill to Amend Annuities Act

Official confirmation of the Federal Government's plan to limit the value of annuities issued by the Government Annuities Branch, is contained in a bill which received second reading in the Senate last week. The bill is sponsored by Senator G. D. Robertson, minister of labor, and is in line with information to that effect published in The Financial Post on May 7.

Discussion of the bill was held over until this week when it will come before committee. Suggestions have been advanced that if the principle of selling annuities by the Government is right, then it should apply to all amounts and the rates should be increased to make it self-supporting.

Criticism of the present operations of the Government Annuities Branch were contained in a series of articles which appeared in The Financial Post early this year and which submitted statistics and data to show that hundreds of thousands of dollars of public money was being expended yearly in selling high-priced annuities at far below cost to those who could well afford to pay adequate rates for this type of investment.

It was pointed out that by allowing annuities up to $5,000 to be purchased, the department had departed far from its original intention to provide a post office savings plan whereby people of moderate means could provide for their old age by the purchase of a small Government Annuity. In recent years highly-paid salesmen have been selling Government Annuities across the country at considerably below cost and, furthermore, the reserves behind these annuities have been quite inadequate to maintain the fund on an actuarially sound basis.

CONVERTERS' PROFIT LOWER LAST YEAR

Shares Seem to Discount Possible Dividend Reduction

From Our Own Correspondent

MONTREAL.—The financial statement of Canadian Converters covering the fiscal period ended April 30, 1931, will reveal a reduction in profits as compared with the previous year. Whether dividend needs were covered last year has not been stated; despite the reduction from 7 per cent to 5 per cent it is considered unlikely that profits will cover this need.

Earnings in the year ended April 30, 1930, were equal to $5.03 a share on the capital stock and a deficit of $34,057 remained after payment of dividends at the rate of 7 per cent for the year. A surplus of $639,163 was brought forward into the year just closed.

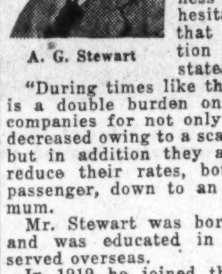
Shares at Low Level

Canadian Converters shares have sold off and at current levels yield over 16 per cent. It was in June, 1930, that the dividend was reduced and present share values seem to discount a possible reduction in the current 5 per cent rate.

The company has a conservative record of earnings and dividends; the existing situation in the textile industry together with general business conditions has made progress difficult in the past two years.

Stewart Named Manager of Cunard Toronto Office

A. Grahame Stewart, was recently appointed manager of the Toronto office of the Cunard, Anchor, and Anchor - Donaldson Lines and the Robert Redford Company.


A. G. Stewart

"We are very gratified with the earnings of our first two or three sailings of the 1931 St. Lawrence season but with the present wide - spread business depression we hesitate to predict that such a condition will continue," states Mr. Stewart.

"During times like the present there is a double burden on transportation companies for not only is their traffic decreased owing to a scarcity of capital, but in addition they are expected to reduce their rates, both freight and passenger, down to an absolute minimum.

Mr. Stewart was born in Winnipeg and was educated in Ontario. He served overseas.

In 1919 he joined the staff of the Robert Reford Company, serving in various capacities and was eventually appointed secretary. He was also assistant general freight traffic manager of this company and also of the Cunard Line in Canada when he left Montreal to take up his present duties in Toronto.

GYPSUM, LIME'S CURRENT SALES SHOW UPSWING

Gains Recorded in April—Total to Date is Lower

From Our Own Correspondent

MONTREAL.—April sales of Gypsum, Lime & Alabastine, Canada, are reported to have been 12 per cent higher than those of the same month last year and it is said that May business has been of satisfactory volume. Total sales to date, however, show a reduction as compared with the corresponding period last year.

To offset this decline the company has inaugurated various economies in operations. One of these includes a capital expenditure at Beachville, which it is expected will lead to a reduction of 30 cents a ton in quarrying costs at that point. In view of the fact that approximately 350,000 tons are quarried each year, savings of around $100,000 are possible.

Strong Cash Position

The strong cash position revealed in the company's balance sheet at the end of 1930 has been maintained. Working capital then totalled $1,614,303 and the ratio of current assets to current liabilities was nearly 5 to 1.

Taking advantage of this liquid position Gypsum Lime has been able to purchase substantial amounts of bonds in advance of sinking fund requirements. These were outstanding to the extent of $3,869,828 at the end of 1930. Current prices for the 5½ per cent bonds are around 86-89.

Handles New Lines

While sales of the company's new lines are progressing in a satisfactory manner, the last half of the current year will witness results which may accrue from the company's agreement with Donnacona Paper Co. Gypsum Lime, through this agreement, will handle the distribution of Donnacona insulating wall board under its own trade name. This product should prove to be a profitable addition to an already wide list of products.

Other new lines which are being handled by the company this year include production from two subsidiaries acquired last year. These are Crystalite Products of Hamilton and Dominion Stucco Co. of Winnipeg, both of which manufacture a full line of exterior and interior stuccos.

Earnings of Gypsum Lime last year were equal, after all deductions, to 68 cents a share on the common stock as compared with a disbursement of $1.32½ a share. The regular dividend was $1.50 a share, but this was cut to the current rate of 80 cents in January, 1931.

British Oil Expert Sees Big Fields in Alberta

J. T. Smith, editor of the Oil News, writes in the London Times Trade supplement: "Alberta, as an oil producer has never been properly investigated geologically or geophysically, and until that has been done no definite conclusion can be reached. The present state of scientific opinion may be summed up in the statement that Western Canada probably possesses, in addition to Turner Valley, which is an oilfield of unusual type, one or more large accumulations of oil which can be turned to account.

"Looking at the Empire as a whole, the western part of Canada appears to afford the best opportunities of finding new oil production on a large scale, so far as at present can be judged. It is, therefore, interesting to learn that early this year arrangements were made in London for an investigation by the latest geophysical methods of portions of this area, and that an expert has already been engaged for the purpose and has reached Canada."

Canadian Quotations—Cont'd

Listed Bond Quotations

Week Ending June 1

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1931 High	Range, 1931 Low
Abitibi, 1st Mtge.	5	1953	11.13	53	50½	50	78	50
Asbestos	5	1942	5.00	105	...	...	100	...
Asbestos, 1st Mtge.	6	1941	...	†16	...	...	20	15
Do., gen. mtge.	6	1956	...	14	...	...	x41	25
Can. Cons. Rub.	6	1946	...	...	...	...	x104¾	102⅛
Can. Cottons	5	1940	6.32	92	...	...	91	...
Can. Forgings	6	1942	6.00	†100	...	...	100	...
Can. Locomotive	6	1951	...	60	...	...	x96	...
Can. Pr. (Laur. ser.)	5½	1958	...	5	5	...	28½	5
Do., (Way. ser.)	5½	1958	...	6	6	...	28½	6
Can. S.S. deb.	5	1943	...	...	...	...	x98¼	94
Cedars Rapids	5	1953	4.90	105	101⅝	...	105	101
Dom. Canners	6	1940	...	†104¼	...	...	x103	...
Dom. Coal	5	1940	...	†98¼	...	...	x97¾	95⅞
McNish	6	1948	...	†2.25	...	...	3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	73¼	70¼
Mont. L. H. & Pr.	4½	1932	...	†100	...	...	x100	98⅝
Mont. Tr. 1st mtge.	5	1941	4.86	†99¾	...	...	101½	99½
Mont. Tr. "A"	6	1955	5.47	†93¾	93¾	93⅜	95½	91
Mont. Tr. G.&R. 'B'	5	1955	5.37	†93¾	...	...	95⅛	91¾
Do., "C"	4½	1955	5.64	...	...	...	85	84
Do., "D"	5	1955	5.39	†93¾	...	...	95¼	92½
N. S. Steel	5	1959	9.28	...	57½	...	62⅝	58
Ogilvie Flour "A"	6	1932	5.85	†100¼	...	...	100⅝	100
Do., "B"	6	1932	...	†100¼	...	...	x103	100
Do., "C"	6	1932	5.82	†100¼	100½	...	100½	100¼
Ont. Steel	6	1943	...	106¾	...	...	...	...
Porto R. Pr.	5	1936	6.79	...	...	...	93	92
Steel of Can.	6	1940	5.08	†106¾	...	...	107½	106¾
Wayagamack	6	1951	...	45	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.25	†99¼	99⅛	...	99⅛	98¾
Toronto								
Canada Bread	6	1941	5.86	†101	...	...	101	...
Postal Tel.	6	1953	...	...	...	...	x95	88¾
Dominion Govt. Bonds (Montreal)								
War Loan	5	1931	2.76	100.75	100.75	100.40	101.70	100.00
Do.	5	1937	3.46	108.25	.....	.....	108.15	104.00
Victory Loan	5½	1933	3.40	105.05	104.90	104.60	105.25	103.00
Do.	5½	1934	3.95	†104.80	104.90	104.75	105.30	102.95
Do.	5½	1937	3.40	112.10	112.25	111.75	112.40	107.05
Do., refund	4½	1940	4.23	102.15	102.05	101.80	102.05	99.40
Do., refund	5	1943	4.36	106.30	106.05	105.95	106.20	103.35
Do., refund	4½	1944	4.30	102.20	101.95	101.85	102.10	99.45
Do., refund	4½	1946	4.32	102.25	101.95	.....	102.25	99.70
Do., renewal	5½	1932	3.36	103.00	102.50	102.10	103.10	101.56
Conversion Loan	4½	1956	4.38	101.70	101.85	101.45	101.85	101.45
Do.	4½	1957	4.43	102.90	102.45	102.40	102.45	102.40
Do.	4½	1958	4.35	104.70	104.60	104.40	104.60	104.40
Do.	4½	1959	4.41	104.80	104.65	104.35	104.65	104.35

†—Latest bid.
x—Quotations for 1930. None recorded in 1931 to date.

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co., Ltd.)
350 Bay Street, Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Price	Yield
Alberta	4½	1 Oct., 1958	1 Oct.	97.58	4.66
Alberta	5	1 July, 1943	1 July	102.58	4.70
Alberta	6	1 Apr., 1936	1 Oct.	105.50	4.75
British Columbia	4½	1 Oct., 1953	1 Oct.	100.25	4.48
British Columbia	5	15 Jan., 1948	15 July	104.65	4.60
British Columbia	6	15 Aug., 1941	15 Aug.	111.12	4.65
Manitoba	4	1 July, 1947	1 July	93.67	4.55
Manitoba	5	2 June, 1959	2 Dec.	103.50	4.75
Manitoba	5	15 June, 1943	15 June	103.77	4.60
New Brunswick	4½	1 June, 1948	1 Dec.	100.25	4.48
New Brunswick	4¾	15 June, 1936	15 June	101.21	4.50
New Brunswick	6	1 Jan., 1936	1 July	106.42	4.55
Nova Scotia	4½	15 Nov., 1948	15 Nov.	99.75	4.60
Nova Scotia	5	1 May, 1943	1 Nov.	104.74	4.50
Nova Scotia	6	1 Nov., 1936	1 Nov.	106.99	4.55
Ontario	4½	1 Sept., 1944	1 Sept.	101.00	4.40
Ontario	5	15 Oct., 1948	15 Oct.	106.50	4.46
Ontario	6	2 May, 1936	2 Nov.	106.88	4.45
P. E. I.	4	1 Apr., 1939	1 Oct.	97.75	4.30
P. E. I.	4½	1 Oct., 1944	1 Oct.	100.00	4.50
Quebec	4½	1 June, 1946	1 June	99.45	4.55
Quebec	5	1 Mar., 1964	1 Sept.	109.47	4.45
Saskatchewan	4½	1 Oct., 1944	1 Oct.	98.02	4.70
Saskatchewan	5	1 Oct., 1950	1 Oct.	104.31	4.65
Saskatchewan	6	1 Feb., 1936	1 Aug.	104.38	4.80
Cities					
Montreal	5	1 Sept., 1963	1 Sept.	109.80	4.40
Toronto	4½	1 Sept., 1954	1 Sept.	101.40	4.40
Vancouver	4	1 Aug., 1946	1 Aug.	93.40	4.60
Winnipeg	5	1 Mar., 1944	1 Sept.	103.39	4.65
Windsor	5	1 Dec., 1937	1 June	101.00	4.80
Edmonton	5½	1 May, 1945	1 Oct.	106.11	5.00
Calgary	5	1 Jan., 1943	1 July	100.46	4.95
Halifax	6	1 July, 1951	1 July	103.92	4.70
St. John	5	15 Dec., 1960	15 June	103.80	4.70
Regina	4½	1 July, 1950	1 July	95.62	4.85
Victoria	5	21 July, 1945	21 July	102.07	4.80

Mining Stock Quotations

Week Ending June 1

Par Val.	Range 1931 High	Range 1931 Low	Company	Close May 25 (or last)	High for week	Low for week	Close June 1
1	.23	.08½	Abana	.09	.10	.08¼	.08¼
1	.03	.01	Aconda	.01¼	.02	.01	.01
1	.05¼	.03½	Adrien	.04¼	....	....	....
None	.50	.12	Aldermac	.25	.25	.25	.25
1	.05	.00⅛	Algonquin	.01	.01	.00⅛	.01
1	.02½	.01	Amity C.	.01½	.01½	.01½	.01½
None	.45	.21	Amulet	.25	.25	.21	.21
1	.02½	.01	Apex	.01¼	.03	.01	.01¼
1	.05	.01¼	Area	.02	.02	.01½	.02
1	.01	.00½	Argo. Cons.	.00½	....	....	....
1	.08½	.01¾	Arno	.04½	.04½	.03¼	.03¼
1	.01¼	.01¼	Astoria	.01¼	....	....	....
1	.02	.00½	Atlas	.01	.00¾	.00¾	.00¾
1	.02¾	.01	Baldwin	.01⅛	.01⅛	.01	.01
1	.19½	.08	Barry Holl.	.11	.12½	.11	.11½
None	1.45	.90	Base Metals	1.00	.90	.90	.90
None	.04	.00⅛	Bathurst	.02¼	.02	.01½	.02
5	1.75	1.25	B'Wana	1.25	....	....	....
1	.28	.26	Ben Nevis	.27	....	....	....
None	.09½	.03½	Bidgood	.05	.05	.03½	.04
1	.50	.18	Big Missouri	.26	.28	.18	.21
1	.05½	.04¼	Blue Quartz	.04¼	....	....	....
1	.12	.02	Bobjo	.03½	.03¼	.03	....
None	.01	.00½	Boischatel	.00½	....	....	....
1	.08	.02	Brett Trethewey	.02	....	....	....
1	.03	.03	Brit. Canadian	.03	....	....	.03
None	.12	.03	Brownlee	.03½	.03½	.03	.03
1	.02	.00¼	Buckingham	.01	....	....	....
1	.08½	.02	Bunker Hill	.03	.03	.02	.02½
None	.03	.01	Cal. Flin Flon	.01	....	....	....
1	.02	.01	Cambro Kirk.	.02	....	....	....
None	.05¼	.02½	Canam Metals	.04	....	....	....
1	.06½	.01½	Can. Kirk.	.02½	.02¼	.02	.02
1	.02	.02	Can. Lorraine	.02	....	....	....
1	.32½	.12	Canusa	.21	.21	.21	.21
1	.04½	.00½	Capital R.	.02½	.01	.00¼	.01
1	.26½	.15	Castle Tre.	.15½	.15½	.15	.15
1	.23	.03	Cen. Manitoba	.06	.10	.06	.07½
1	.08	.02¼	Can. Patricia	.03½	....	....	....
1	.02	.01½	Champion R.	.02	....	....	....
None	.59	.02	Chib. Pros.	.20	.15	.15	.15
None	.08	.02¼	Clericy	.02⅛	.04	.03	.03
5	10.50	2.50	Coast Copper	3.00	3.10	2.50	3.10
1	.05½	.01½	Cobalt Con.	.02½	.02¼	.02½	.02¼
1	.02	.00½	Col. Kirk.	.01½	....	....	....
1	.39	.05	Columario	.12	.15½	.11	.15½
5	.80	.50	Coniagas	.65	....	....	....
5	.62	.30	Coniaurum	.40	.40	.40	.40
25	188.25	71.75	Cons. Smelters	82.50	82.00	71.75	72.00
1	.01	.00½	Corona	.01	....	....	....
1	.02½	.00½	Crown Res.	.01½	.01½	.01	.01
	.29½	.26½	Crudome	.28½	....	....	....
None	.17	.03	Dom. Explor.	.05	.05	.04½	.04½
1	.03	.00½	Dom. Kirk.	.01	.00½	.00½	.00½
None	13.25	9.00	Dome Mines	10.05	13.25	9.60	12.00
1	.01	.00¼	Don Rouyn	.01	....	....	....
None	.32	.30	Don Woolsey	....	.32	.30	.32
1	.01	.00½	Dunkin	.00½	....	....	....
1	.02	.00½	Duprat	.01¼	....	....	....
1	1.28	.20	Eldorado	.63	.62	.55	.57
None	1.70	.75	Falconbridge	1.25	1.25	.75	1.00
1	.08½	.02½	Federal	.02½	.03½	.03	.03½
None	.01½	.00½	Flintoba	.01	.00½	.00½	.00½
None	.30	.07¼	Gem Lake	.09	.10	.08	.08½
None	.04	.03	Gilbec	.03	.04	.04	.04
1	.08	.02½	Goldale	.04½	.04½	.04	.04
10	.25	.15	Goldfield	.18½	....	....	....
1	.01½	.00½	Gold Hill	.00¾	.00¾	.00½	.00¾
1	.11	.02¾	Goodfish	.05	.05	.04¼	.05
1	.04	.00¾	Graham	.01½	.01½	.01½	.01½
None	2.30	1.40	Granada	1.64	1.60	1.45	1.51
1	.10½	.06	Grozelle	.09½	.09⅞	.09½	.09½
1	.03	.01	Harker	.02	.02	.02	.02
1	.04⅞	.00½	Hilltop	.02½	.02½	.01½	.02
5	8.70	6.00	Hollinger	6.80	7.25	6.50	6.95
1	.38	.24	Howey Gold	.29	.29	.24¾	.26
None	6.30	3.50	Hudson Bay	3.99	4.00	3.50	3.50
None	.40	.31	Huronian	.38	.37	.37	.37
None	20.50	9.87	Int. Nickel	12.00	12.00	9.87	10.00
1	.03	.00⅛	Jackson M.	.10	.01	.00⅛	.01
1	.34	.25	Keeley	.26	.25	.25	.25
1	.04¼	.00⅛	Keora M.	.01	.00⅛	.00⅛	.00⅛
1	.27½	.27½	Kirk. Hud. Bay	.27½	....	....	....
1	.03	.01	Kirk. Hunt.	.01¼	.01¼	.01¼	.01¼
1	.93	.55	Kirk. Lake	.69	.67	.57	.59
1	.08	.01	Kirk. Prem.	.01¾	.02	.01½	.01½
1	.13½	.07	Kirk. Town.	.09	.08	.07	.07
20c.	.02¼	.00⅛	Koot. Flor.	.00⅛	.01	.00⅛	.01
1	.02	.00⅛	La Rose	.01½	....	....	....
	.69	.38	Lakeland	.65	.42	.38	.42
1	28.50	23.50	Lake Shore	27.25	27.00	25.05	26.25
1	.02	.01	Laval	.01	....	....	....
1	.02	.01½	Lebel Oro	.02	....	....	....
None	.35	.35	Locarno	.35	....	....	....
1	.55	.10	Macassa	.35	.35	.24	.30
1	.12	.02	Malartic	.07	.06	.06	.06
None	.15	.06	Mandy	.10	.10	.10	.10
None	.06	.02	Man. Basin	.03½	.04½	.03½	.04
1	.55	.30	McKinley	.50	....	....	....
56	26.50	20.00	McIntyre	20.80	21.75	20.00	21.00
None	.33	.08	McLeod River	.10	.12½	.08	.10
1	.04	.04	McVittie	.04	....	....	....
1	.29	.12	MacMillan	.12	....	....	....
1	.01½	.00½	Millcrest	.01	....	....	....
5	2.84	1.46	Mining Corp.	2.17	2.15	1.96	2.00
1	.09½	.01	Moffatt Hall	.04¼	.05½	.04¼	.04¼
1	.04	.02	Moneta	.03	....	....	....
1	.00½	.00½	Mtl. Rouyn	.00½	....	....	....
1	.63	.20	Moss	.34	.33	.30	.30
1	.09	.01	Murphy	.03	.04	.02¼	.04
1	.07¾	.02	Newbec	.03½	.03¾	.02	.03
1	.40	.25	Nevada	.25	....	....	....
1	.09	.02	Night Hawk	.03	....	....	....
5	1.90	1.00	Nipissing	1.10	1.15	1.00	1.00
None	29.65	14.00	Noranda	18.75	18.25	15.75	16.10
1	.50	.28	Nor. Canada	.30	.30	.28	.28
None	.03	.01	Old Colony	.01⅛	.01⅛	.01⅛	.01⅛
1	.01	.00½	Ophir	.00½	.00¾	.00¾	.00¾
1	.10¾	.04	Oriole	.04¾	.04	.04	.04
1	.21	.07	Osisko	.10	....	....	....
1	.25	.23	Parkhill	.23	....	....	....
1	.15	.14	Patricia Dent.	.14½	....	....	....
1	.04	.01½	Pawnee Kirk.	.03	.03	.03	.03
None	1.61	.70	Pend. Ore.	.80	.80	.75	.75
1	.04½	.01	Pete Cobalt	.01	.01¼	.01	.01
	.50	.50	Phy. Molybd.	.50	....	....	....
1	.01¼	.00¼	Picard	.00½	....	....	....
1	.12	.07	Pioneer	.08	.10	.10	.10
1	.02¼	.00¾	Porc. Crown	.01	....	....	....
1	.02	.00½	Potter Doal.	.00¾	.00¾	.00¾	.00¾
1	.45	.37½	Powell Ryn.	.41	.41	.41	.41
1	.99	.65	Prem. Gold	.77	.75	.65	.65
1	.02⅛	.00¾	Preston E. Dome	.00¾	.01	.01	.01
1	.25	.13	Quemont	.18	.15	.13	.13
1	.01¾	.00½	Ribago	.01	.00⅝	.00⅝	.00⅝
1	.34	.24	Rich. Rock	.33	....	....	....
1	.15	.03½	Ritchie	.03½	.04	.03½	.03½
1	.04	.00¼	R. Montbray	.01¼	....	....	....
1	.05	.04	Rubec	.04	....	....	....
None	.25	.10	San Antonio	.14½	.14½	.10	.12
1	.21	.15	Seven Troughs	.15	....	....	....
1	1.25	.50	Sherritt G.	.60	.65	.50	.56
1	.55	.36	Siscoe	.42	.46	.38	.45½
1	.18	.02	So. Keora	.05	.02	.02	.02
None	.05	.02	Stadacona	.02½	.03	.02	.02
1	.30	.03½	St. Anthony	.07	.08	.08	.08
None	.82	.50	Sud. Basin	.55	.52	.50	.50
1	.03	.01	Sud. Contact	.02	....	....	....
1	.03¼	.00½	Sudbury M.	.01⅛	.01¼	.01	.01½
None	.04¼	.01	Sudbury N.	.03	....	....	....
1	.18	.14	Sullivan	.15	.15	.14	.14
1	1.14	.48	Sylvanite	.71	.72	.61	.68
1	.20½	.04	Tashota	.10	.13	.10	.13
1	8.65	6.15	Teck Hughes	7.00	7.05	6.25	6.75
1	.10½	.02	Telluride	.02	.02	.02	.02
1	.01½	.01½	Temiskaming	.01½	....	....	....
1	.06½	.02½	Thom. Cad'c.	.04	.03	.02½	.02½
1	.02½	.00½	Tough Oakes	.01	....	....	....
1	.63	.20	Towagmac	.31	....	....	....
None	2.65	1.00	Treadwell	1.75	1.50	1.50	1.50
None	2.85	2.40	Tri-Metals	2.85	....	....	....
	.15	.04½	United Kirk	.06½	.06½	.06	.01
	.03	.01	Vacuum Gas	.02	.01	.01	.01
None	.86	.35½	Ventures	.42½	.42	.35½	.47
1	.15	.01½	Vickers	.09½	.07	.07	.07
1	1.22	.70	Vipond	.85	.84	.70	.70
None	2.00	1.00	Waite Ack.	1.05	1.07	1.00	1.00
1	.02½	.01	West Tree	.01	....	....	....
1	.27	.05	White Lake	.09	.08	.05	.05
1	.06	.02	Wiltsey	.04½	....	....	....
None	.01½	.00½	Windfall R.	.01	....	....	....
	.13	.06	Wood Kirk	.07	....	....	....
None	.314	1.85	Wright-Har.	2.74	2.75	2.49	2.07
			WESTERN OIL STOCKS				
1	.30	.16	Acme	.20	.21	.17¼	.18½
None	.50	.50	Advance	.50	....	....	....
1	.37½	.16½	Alta. Pac.	.17	.18	.16¾	.17
1	.08	.07	Amalgamated	.08	....	....	....
None	.25	.07	Associated	.09	.07	.07	.07
1	1.89	1.20	Ajax	1.23	1.25	1.20	1.20
None	.12	.35	Baltac	.04	.04	.03½	.03½
1	.07	.05	Black Dia.	.05	....	....	....
1	.33½	.12	Brit. Dom.	.12	.12	.12	.12
1	.32	.07	Calmont	.07	.10	.08	.08
None	.82	.30	Calgary & Ed.	.38	.38	.35	.35
1	.47	.12	Comm. Pete.	.14	.16½	.14	.16½
None	.60	.20	Dalhousie	.21	.25	.22	.22
None	.08	.02	Devenish	.02	.03	.03	.03
None	.12	.04	Dome Oil	.05	.05	.04¾	.04¾
None	.69	.24	E. Crest	.25	.29	.24	.25
1	.05	.02	Fabyan Pete.	.02	.02	.02	.02
None	.60	.25	Foothills	.25	.25	.25	.25
None	.18½	.04	Freehold	.04½	.05	.04½	.04½
1	.02	.01	Great West	.01	.02	.02	.02
None	.17	.05	Hargal	.07	.06	.06	.06
None	.10	.03½	Herron Pete.	.03½	....	....	....
None	.07½	.05	High Sarcee	.05	....	....	....
None	2.00	.49	Home	.50	.55	.49	.49
None	.22	.06	Homestead	.06	.06½	.06½	.06½
1	1.70	.85	Homest'd O & G	1.40	1.35	1.10	1.21
1	.08¼	.01	Ill. Alta	.01	.01¼	.01	.01¼
None	.70	.17	Lowery	.17	....	....	....
1	.05	.01¼	Madison	.01½	.01¼	.01¼	.01¼
1	.85	.30	Mayland	.40	.30	.30	.30
None	.11	.03½	McD. S. Ex.	.03½	....	....	....
1	.29	.03	McD. S. N.	.05	.04½	.03	.03
1	.72½	.27	McLeod	.29	.27	.27	.27
None	.39	.14	Mercury	.17¼	.18½	.17¼	.18¼
None	.20	.08	Merland	.12¾	.11	.10	.11
1	.18	.09	Mid West	.09	....	....	....
None	.38	.10½	Mill City Pete	.10½	....	....	....
1	.49	.15	Model	.25½	.25	.25	.25
1	.18	.03	Monalta	.03	....	....	....
1	.31	.07	Moose M.	.07	....	....	....
1	.04	.02	New Federal	.02	....	....	....
None	.56	.20	Nordon	.25	.26	.20	.20
None	.10½	.02¾	Oil Select	.07⅛	.10½	.05¼	.09¼
None	.28	.06¾	Okalta	.07½	.07	.07	.07
100	27.00	25.00	Do., pref.	25.00	....	....	....
None	.22	.05	Olga Gas & Oil	.10	.10	.09½	.09½
1	.37½	.23	Petrol	.26	.24	.23	.23
None	.28	.03	Penn. Pete.	.03	.04	.03	.03
None	.25	.09	Ranchmen's	.12	.12	.09	.12
1	.05	.01½	Regent	.01½	....	....	....
None	.13	.04½	Richfield	.05½	.05	.04½	.05
None	17.75	6.25	Royalite	9.00	7.75	6.25	7.00
1	.82	.30	Sarnia Oil	.56	.58	.30	.58
1	.06½	.03	Signal Hill	.3	....	....	....
None	.27	.10	So. West Pete.	.10½	.10	.10	.10
1	.60	.20	Spooner	.25	.25	.20	.25
None	.19	.09	Sterling Pac.	.11	.10½	.10	.10½
	.15	.15	Turner Basin	.15	....	....	....
1	.16	.12	Turner Valley	.12	....	....	....
None	.31	.09½	United	.10	.12	.09½	.10
1	.15½	.09	Vulcan	.10	.10½	.10½	.10½
None	.05	.01	Wainwell	.01½	.01¾	.01	.01
1	.28	.08	Waite-Valley	.10	.08	.08	.08
			VANCOUVER STOCK EXCHANGE (Transactions for week to May 27)				
25c.	.01	.00⅛	Bayview	.01	....	....	....
25c.	.07	.01	Beaver Silver	.05	.05	.05	.05
25c.	.02½	.02	Bluebird	.02	....	....	....
25c.	.70	.50	B. C. Silver	.50	....	....	....
25c.	.02	.00¼	Cork Province	.01	....	....	....
1	.20	.12	Cotton Belt	.12	....	....	....
1	.04	.02	Dunwell	.02	....	....	....
1	.10	.05	Duthie	.05	....	....	....
1	.90	.50	George Copper	.50	.50	.50	.50
50c.	.05	.03	Geo. Enterprise	.03	....	....	....
1	.05	.01½	Georgia River	.03	.03¼	.03	.03¼
50c.	.02½	.02½	Glacier	.02½	....	....	....
10c.	.01	.01	Gladstone	.01	....	....	....
1	.45	.20	Golconda	.24	.20½	.20	.20½
50c.	.07½	.03	Grandview	.03	.03	.03	.03
None	27.50	27.50	Howe Sound	27.50	....	....	....
1	.17½	.11	Intern. Coal	.15	....	....	....
1	.01½	.01	Independence	.01	....	....	....
1	.01½	.01	Indian Mines	.01	....	....	....
1	.43	.30	Jack Waite	.30	....	....	....
25c.	.02	.00½	Kootenay King	.01¼	.00⅛	.00⅛	.00⅛
25c.	.00½	.00¼	Lakeview	.00½	....	....	....
25c.	.01	.00¼	L. & L.	.01	....	....	....
1	.12½	.08	Lorne Gold	.10	.11	.09¼	.10
1	.12	.12	Los Ang. Van.	.12	....	....	....
10c.	.03¼	.01½	Lucky Jim	.02	....	....	....
2.50	.01	.00¼	Marmot Gold	.01	....	....	....
50c.	.01	.00½	Marmot Metals	.00½	....	....	....
25c.	.00¼	.00¼	Mohawk	.00½	.00½	.00½	.00½
1	.25	.14	Montana Mines	.25	....	....	....
1	.05	.02½	Morton Woosley	.02½	....	....	....
50c.	.03½	.02	National Silver	.02	.02	.02	.02
50c.	.09¼	.04	Noble Five	.04	.04	.04	.04
50c.	.12½	.05	Oregon Cop.	.08	.06⅛	.05	.05
1	2.35	1.23	Pioneer Gold	2.25	2.35	2.25	2.28
50c.	.09	.05	Porter Idaho	.05	....	....	....
None	.02	.00¼	Premier Border	.00¼	.01	.01	.01
None	.55	.20	Reeves McD.	.25	.20	.20	.20
1	.25	.11	Reno Gold	.20	.22	.21	.21
1	.04	.02	Rufus Argenta	.02½	.02½	.02	.02
1	.07	.04	Ruth Hope	.04	....	....	....
1	.05½	.04	Silverado	.05½	....	....	....
25c.	.03	.01½	Silver Crest	.02	.02	.02	.02
50c.	.05	.01⅛	Snowflake	.02⅛	.02	.02	.02
1	.45	.30	Sunloch	.30	....	....	....
50c.	.01¼	.01	Topley Rich.	.01	....	....	....
5	.10	.20	Toric	.20	....	....	....
20c.	.01	.01	Wellington	.01	....	....	....
1	.05	.05	Whitewater	.05	....	....	....
None	.03¼	.00¼	Woodbine	.01	.00¼	.00¼	.00¼

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.47	Premier	12c.	18.46
Dome Mines	$1	8.33	Royalite	50c.	....
Hollinger	65c.+5c.	10.07	Spooner Oils	6c.	....
Inter. Nickel	60c.	6.00	Sylvanite	2c.	2.94
Lake Shore	$1.20+30	5.71	Teck Hughes	60c.	8.88
McIntyre	$1	4.76	United Oils	5c.	....
Model Oils	12c.	....	Wellington Oil	5c.	....
			Wright-Har.	10c.	3.70

a. Stock bonus 1 share for each 20 shares held.

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DESPITE DECLINE, MONTREAL POWER YIELD STILL LOW

Future Discounted Far if 6 Per Cent Return Expected

NEW STOCK IS FACTOR

Profit Per Share Likely Less When Partly Paid Units Rank for Dividends

While the decline of the common stock of Montreal Light, Heat & Power on the stock exchanges last week was sudden and considerable, causing something of a flutter in the market dovecots, investment analysts are not unduly shaken. The yield at 40 is 3.75 per cent, reflecting the investment standing of the issue.

Looking over the record of the company, its consistent growth is undoubtedly a matter for congratulation and satisfaction, while the condition of the company at the present moment is as good as, even better than, it ever was.

As at December 31, 1930, the balance sheet revealed a strong working capital position with a ratio of 6.32 to 1 of current assets over current liabilities. Liquid assets, which includes cash and call loans, amounted to $6,452,178, and investment securities were valued at $29,443,209, making a total of almost $36,000,000 against current liabilities of $5,745,358.

Profits Steadily Grow

After deducting from the total assets all liabilities—including reserves for insurance and contingencies amounting to $2,500,000—capital surplus amounted to $73,006,374.

Gross earnings for 1930 amounted to $23,484,080, an increase over the previous year of $1,197,996. The average increase for the previous 5 years has been $1,027,055 per annum, this having been a fairly steady annual increase excepting for a sharp rise in 1927. The upward trend has been maintained without a recession in any year of the five under review.

Similarly, net earnings after all operating expenses, taxes and a consistently increased reserve set aside for depreciation, have shown steady growth, averaging $838,431 increase per annum. The increase in 1930 over 1929 was $541,138, the average owing its higher level in part to the year 1927, when an increase in net earnings of $1,122,319 was registered.

Fixed charges have been heavier each year, as would be expected, leaving the average increase in net profits available for the common stock of $453,441 per year. The increase in 1930 over 1929 was $205,946. Again the year 1927 helped the average, but each year has shown consistently improved net profits.

From all points of view and on all counts the progress and record of the company has been favorable.

The equity behind the common stock at the end of 1930 was $18.49. This is taking it at its best, contingency and insurance reserves being added in with the surplus, and the total divided by only 4,083,674 shares fully paid-up, (993,687 additional shares were subscribed for during the year under rights but being only partly paid up, these are not included).

Earnings per share for 1930 were $2.19, giving an earnings-price ratio at 40, of 18¼ to 1.

The yield at the present dividend rate of $1.50 per share per annum is 3.75 per cent.

Estimate is $2.37 Per Share

A rough estimate of earnings for 1931 may be computed thus. Net earnings for 1930 were $12,082,185. An increase for the year based on net earnings recently reported for the first four months of $487,000 would be equal to $1,461,000 for twelve months. Adding this to the 1930 figure, the result is $13,543,185. This, however, is regarded as too optimistic a figure, showing as it does an increase over 1930 of $1,461,000, which is nearly a 75 per cent bigger increase than the average and even $340,000 better than the gain made in 1927, the best of five years. Probably an estimate of $13,000,000 will be high of the mark and would be considered highly satisfactory.

Last year the fixed charges amounting to $3,138,601 were deducted. Owing to bonds issued during 1930, these charges this year will be higher, possibly around $3,300,000. Deducting this amount from $13,000,000 the estimate for net profits for 1931 is $9,700,000, or $756,416 better than the previous year (average increase for five years was $453,441).

The number of shares outstanding at December 31, 1930, was 4,083,674, and as has been remarked a further 993,687 have been subscribed. These will not rank for dividends until July 1, 1932, when the total outstanding will be 5,077,361 shares. Based on the total shares outstanding, omitting those not fully paid up, earnings for 1931, as estimated, work out at $2.37 per share.

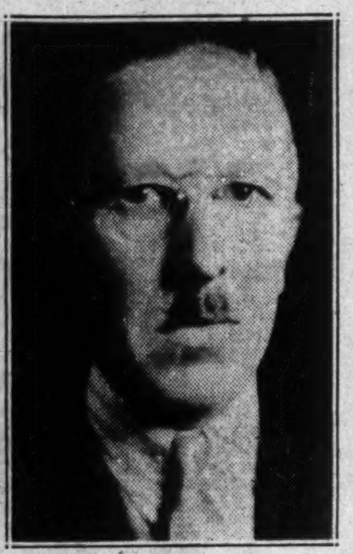
Discounts More Than Ten Years

Looking forward to the close of 1932, when the full number of 5,077,361 shares will rank for dividends, if net profits be increased at the same rate as for the past five years, they will be in the neighborhood of $9,850,500, and earnings per share will be $1.94 per share. In order to reach the figure of $2 per share, net profits would have to be $10,154,722, and it is possible that they may climb to this amount. But before the stock is earning the equivalent of 10 per cent, or $4 per share on the stock bought at the current market of $40, net profits have to rise to $20,309,244. A dividend of $3 per share could then be expected, giving a yield on the present market of 7½ per cent.

To achieve this in 10 years, however, net profits would need to show an average annual increase of approximately $1,000,000. In the past ten years they have risen from $3,804,507 in 1920 to $8,943,584 in 1930, an improvement of approximately $5,000,000, or an average annual increase of about $500,000.

The company's large investments in American public utility shares may be a factor in improving earnings in the next period of business recovery.

Exchange Chairman



W. E. J. LUTHER, who has been elected chairman of the Montreal Stock Exchange. Mr. Luther has been especially active in the affairs of the Exchange for some years past.

MONTREAL 'CHANGE OFFICERS ELECTED

Luther Heads Organization—Many New Stocks Listed

From Our Own Correspondent

MONTREAL.—W. E. J. Luther, of Craig, Luther & Irvine, has been elected chairman of the Montreal Stock Exchange. Mr. Luther succeeds F. Stanton Mathewson, who has held the office for the past year.

The slate which was nominated last week was elected as follows: Chairman, W. E. J. Luther; vice-chairman, L. G. Beaubien, of L. G. Beaubien & Co.; secretary-treasurer, A. S. Cassils, of Leggat, Cassils & Co.; Governors, Raymond Allan, Greenshields & Co.; W. D. Chambers, Watson & Chamber; Russell Cowans, of MacDougall & Cowans; D. S. McMaster, of Holt, McMaster & Rankin; F. S. Mathewson, of Mathewson, McLennan & Co.; H. Perodeau, Geoffrion & Co.; Trustee for the Gratuity Fund for period of three years, T. W. McAnulty, of L. J. Forget & Co.

Listings Are Heavy

In a summary of stock exchange listing activities for the past fiscal year, Mr. Luther stated that during the year there were 26,322,160 shares added to the list, composed of 25,964,660 common shares and 357,500 preferred shares. Of the total, new listings accounted for 23,556,517 shares, and additional listings 2,765,643 shares.

The total par value of additional bonds and debentures added to the list amounted to $2,000,000. The total number of listings were 33, composed of 25 additional listings and 8 new listings.

B. C. Mines Dividends $12,500,000 in Year

From Our Own Correspondent

VANCOUVER.—Mining companies in British Columbia paid $12,527,652 in dividends last year—a figure regarded as highly satisfactory in view of the depression in metal prices and the general curtailment of production. The total compares favorably with that of the 1929 dividends, which were $13,743,308—a record for the province.

Despite low metal prices the world over, British Columbia took more ore out of its mines last year than ever before, according to complete reports just issued here by the Provincial Government.

The reduced prices cut down the value of mineral production from the record figure of $68,245,443 in 1929 to $55,391,993. But the 1930 total was high compared with the average for the last few years. Ten years ago, the province's mineral production was only valued at about $28,000,000.

Gold Output Larger

Silver, lead and zinc production broke all records last year, and the output of gold was larger than in 1929, as was the output of building materials. Copper and coal alone showed a decline.

Lead is the most important metal mined in British Columbia. Lead production during the last seven years has averaged $15,000,000 in value. Copper's average value over a similar span of years is $12,000,000. Then comes coal, zinc, silver, structural materials, gold and miscellaneous minerals.

Following are figures compiled by the provincial mineralogist, J. D. Galloway, showing the 1930 output in all branches of the mining industry, compared with that of 1929:

		1929		1930	
		Quantity	Value	Quantity	Value
Gold, placer	Ozs.	6,983	$ 118,711	8,955	$ 152,235
Gold, lode	Ozs.	145,339	3,004,419	160,778	3,323,576
Silver	Ozs.	9,918,800	5,256,270	11,289,171	4,307,270
Copper	Lbs.	101,483,857	18,375,682	90,421,545	11,738,525
Lead	Lbs.	302,346,268	15,269,696	319,199,752	12,535,931
Zinc	Lbs.	127,096,841	9,268,792	250,287,306	9,010,093
Coal (2240 lbs.)	Tons	2,251,252	11,256,260	1,887,139	9,435,650
Structural materials		....	3,921,768	....	4,092,568
Miscellaneous metals and minerals		....	1,773,845	....	796,145

Looking to the future, Hon. W. A. McKenzie, minister of mines, says: "For 1931 it seems probable that mineral production will show a decline both in quantity and value. The effect of low metal prices was not fully felt towards the close of 1930; and it is evident that the 1931 average will be well below those of 1930.

"The rate of metal production in the last quarter of 1930 declined considerably as compared with the previous quarters, owing to the general curtailment programme being practiced by most producers. It is evident, therefore, that until there is a radical change in the present condition of the metal markets of the world, with less excess stocks and improved prices, no expansion in base-metal mining in British Columbia can be expected. Similarly, a decided improvement in the price of silver will be necessary to stimulate the mining of that metal. Gold mining showed some improvements in 1930 and it is expected that prospecting for and development of gold properties, will be actively carried on in 1931."

REPORT EARNINGS MONTREAL DAIRY ARE INCREASING

Dairy Corp's Quebec Subsidiary Covering Interest and Pref. Dividends

Montreal Dairy Co., which was taken over by Dairy Corp. of Canada in 1929 through the purchase of the common stock, is understood to be showing a marked improvement in operating results under the management of the parent company. It is expected that in 1931 this Company will be one of the best earning units of Dairy Corp.

Montreal Dairy Co. has been operating for many years. The major portion of the company's business has been represented by the sale of ice cream; in fact, the Company has one of the largest ice cream businesses in Canada. In recent years the company has also been engaged in the distribution of milk and cream, which is now a substantial part of the total business, as the Company has a number of large wholesale accounts, as well as operating a fleet of retail delivery trucks.

Since its acquisition by Dairy Corp. in 1929, the earnings of Montreal Dairy Co. have improved very materially. During the past two years, a large reduction in expenses has been effected. In 1930 an improvement of about $100,000 was shown in net profits over the year 1929, and as the profits for the first four months of 1931 show an improvement of $28,000, it would appear that there would be an improvement of another $100,000 in profits this year.

For the year ended December 31, 1930, the earnings were equal to nearly three times interest charges on the first mortgage bonds. The company's plant has been completely overhauled, and last year a modern ice cream plant was built. New machinery has been purchased for this plant, and new delivery equipment has also been put into service. It is understood that the Montreal Dairy Co. plant is now one of the finest in Canada.

Since the acquisition of the Company by Dairy Corp. of Canada, the capitalization has been changed. The 7% $100 par value preferred stock which was formerly outstanding has been converted into Class "A" stock which is paying dividends at the rate of $1.75 per share per annum. An additional amount of common stock has been issued, there now being 100,000 shares outstanding. At the present time, Dairy Corp. owns approximately 85% of the common stock and two-thirds of the preferred stock outstanding.

The operations of the company at the present time are on a scale sufficient to provide for all fixed charges and preferred dividends and leave a surplus available for the common stock. Recently T. G. Martin was appointed general manager of the Montreal Dairy Co. Mr. Martin was formerly treasurer and assistant general manager of the Saskatchewan Co-operative Creameries, Regina, and has been engaged in the dairy industry for many years. J. A. Caulder. managing director of Dairy Corp. of Canada, also comes from Saskatchewan Co-operative Creameries, which business he managed successfully for years.

May Liquidation Toronto Issues Not Excessive

Despite the severe liquidation in security markets on the North American continent during May, total sales for the month on the Toronto Stock Exchange were not excessive. Actually, they were beneath those of the preceding three months, but ahead of January as the following table indicates.

1931	Listed	Unlisted	Total
May	300,403	283,414	583,817
April	248,846	406,115	654,961
March	308,826	378,524	687,350
Feb.	326,878	326,449	653,327
Jan.	309,946	139,051	448,997

Analysis of the sales of individual stocks shows that International Nickel was again the leader with 70,734 shares. Noranda, which was in third place in April stepped into second this month with a turnover of 54,210. A persistent drive against the shares of Hiram Walker had the effect of making the stock the third most active. Imperial Oil with 35,327 shares was closely followed by B. A. Oil with 34,936 while a gold-mining stock, Wright-Hargreaves deposed Brazilian at sixth place. C.P.R.'s dividend cut was the cause of the stock's taking eighth place as against tenth in April. International Petroleum came next, while Ford "A" followed with a turnover of close to 20,000.

The trend of the market during the month was persistently lower and devoid of any sign of a rally. Several sound Canadian securities were depressed below their intrinsic worth and sold lower than for several years.

Market depreciation outran the drop in earning power in the majority of cases and the conservative attitude of a large number of corporations in making dividend distributions in accordance with reduced earnings was responsible for the lower prices at which many securities sold.

East Crest No. 3 Well on Production Test

East Crest Oil Co. No. 3 well which blew in last week, gave an initial production of 160 barrels of crude naphtha daily, after being shot with nitroglycerine, according to official information.

This makes three producing wells for the company. While indications are that No. 3 will not equal the No. 2A well in production, it has not had an opportunity to demonstrate just what can be expected from it. It is blowing freely to rid itself of loose material after the shot and a further test will be made.

Smelters Meeting Called To Consider Stock Dividend

Shareholders of Consolidated Mining & Smelting Co., are in receipt of a notice of a special general meeting to be held in Montreal June 12, to consider and approve of amending provisions in the company's charter for the payment of stock dividends instead of cash dividends.

Another provision to be ratified provides that any dividends may be paid wholly or partly by the distribution of paid-up shares in this or any other company.

Associated Oil Issues First Report

The first report of Associated Oil & Gas Co., operating in Turner Valley, Alta., covering the period from incorporation in 1928 to January 31, 1931, shows the value of production from the company's No. 1 and No. 2 wells as $223,738.

No. 1 well was drilled to production in September, 1929, and No. 2 well in August, 1930. The marketed production to the Imperial refinery at Calgary, amounted to 25,968 barrels of crude naphtha in 1929 and 9,052 barrels in 1930, in addition 33,753 barrels of crude oil and discolored naphtha were produced in 1930. April, 1931, production from the two wells averaged 64 barrels of crude naphtha daily.

The report says that owing to the decline of production in the wells, the present low price of the product and the high cost of drilling, it seems unwise to drill further wells. Under the terms of the drilling management, Imperial Oil, which carried out the company's programme, receives repayment of drilling expenses plus 10 per cent overhead after which the company and Imperial Oil share equally the balance of the market production, first paying 12½ per cent royalty to United Oils and Government tax.

The financial statement showed $4,000 loaned the company by Imperial Oil to meet expenses.

PHOTO ENGRAVERS IN NEW PREMISES WITH MORE PLANT

Shareholders Inspect Recently Purchased Equipment at Annual Meet

Greatest interest of shareholders, who attended annual meeting of Photo Engravers & Electrotypers on June 1 at the new premises of the company at Gould and Mutual Sts., Toronto, was in the trip after the meeting over the 70,000 square feet of floor space which the company has in its quarters. It was explained by W. T. Northgrave, president, that in its 25 years of existence the company had grown from a small plant employing eight people to one giving work to 250 persons.

The new building of Photo Engravers is in a large building next door to the huge building of the Robert Simpson Co. mail order department and on one story the plant of Photo Engravers occupies the entire floor in both buildings. It was the ten-year contract with the Robert Simpson Co. which induced Photo Engravers to move to the new building, and the plans of the great departmental store for publishing six catalogues a year are expected to increase enormously the work done by Photo Engravers.

"It is a splendid contract," said the president, "but we are only at the beginning. We have to make good on it yet. It has to be good on both sides. We have done work for many years for the Robert Simpson Co. We have other work to do as well. The difficulties of changing over to this new building without losing a single day's work and to get $500,000 of new equipment into operation were very great."

In agreeing to do all the art, engraving and rotogravure work of the Robert Simpson Co., Photo Engravers has enlarged its facilities and put in equipment of a character and size which it did not formerly possess. Principal interest was given to the new gravure press 110 feet in length which will be used in the final printing of 1,000,000 copies of "Canada Wide," the Robert Simpson Co. magazine-catalogue, six times a year.

At the meeting the following directors were re-elected: W. T. Northgrave, George L. Gardiner, J. H. Ratcliffe, J. G. Weir, F. Erichsen-Brown. At a subsequent meeting of directors Mr. Northgrave was re-elected president and Mr. Gardiner was elected vice-president, suceeding Mr. Ratcliffe, who remains on the board.

James Richards was re-appointed secretary.

Manitoba Hydro Extends Lines

Further extensions of the Manitoba Provincial Hydro System construction of which is being started, include lines north of Brandon through Rivers and on to connect with Virden, Man.

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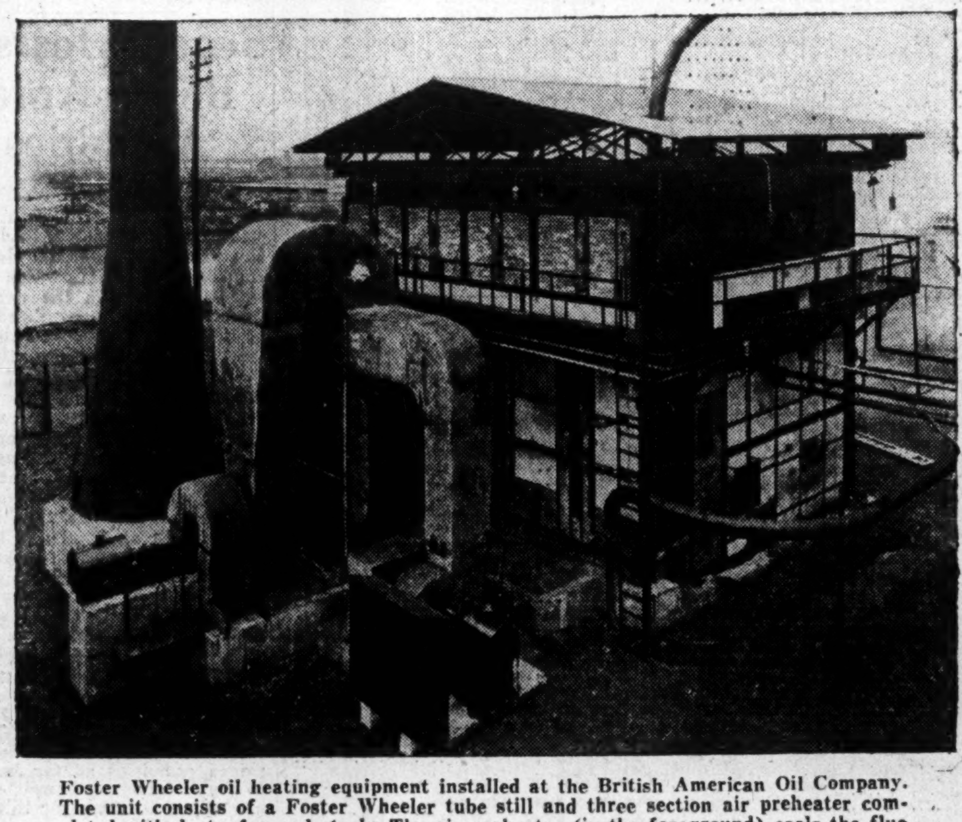
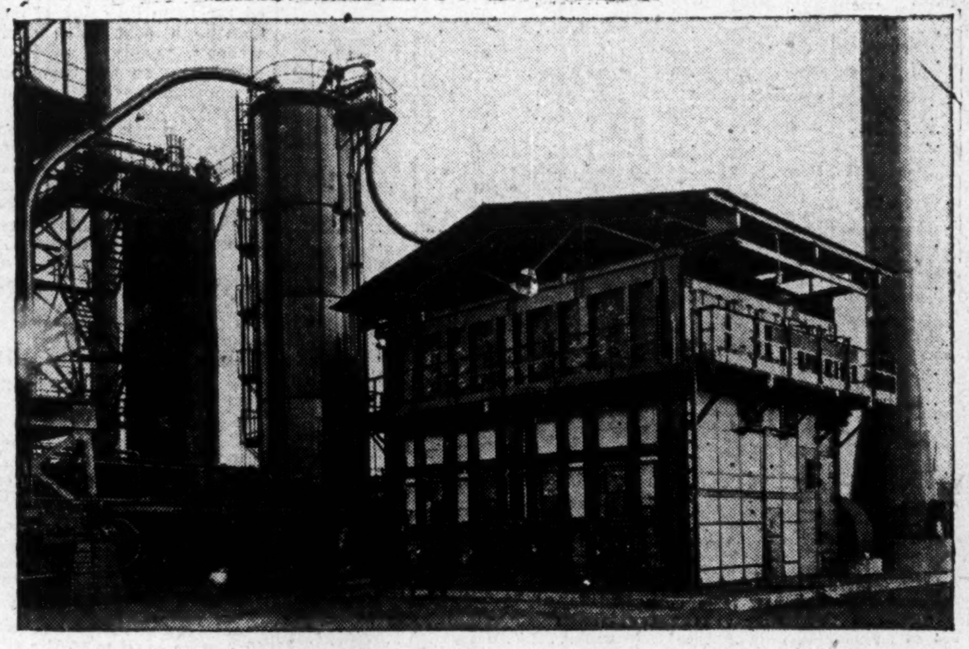
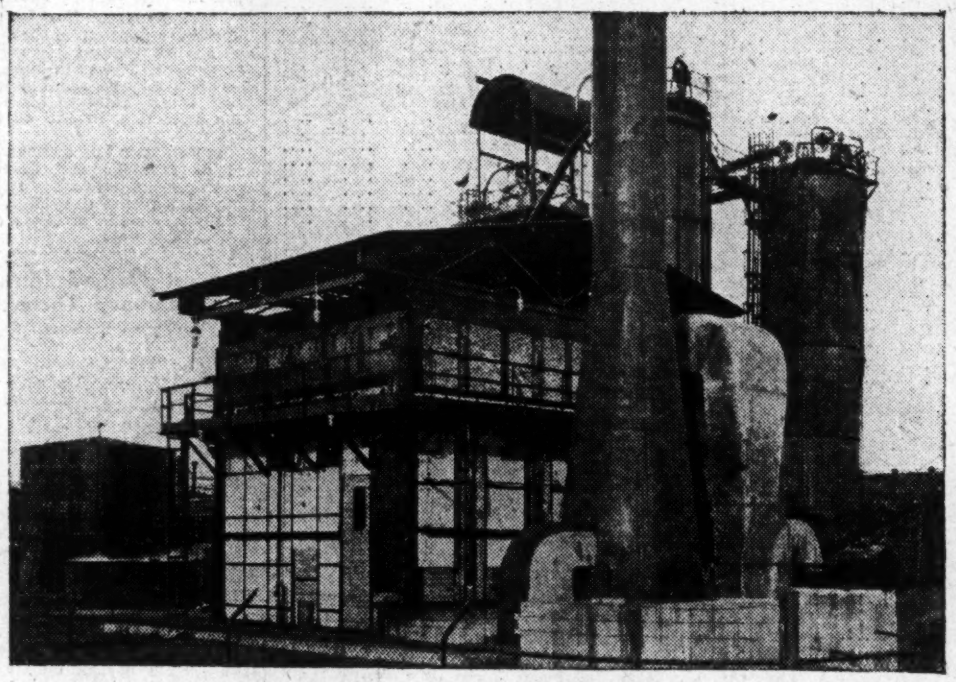


Foster Wheeler oil heating equipment installed at the British American Oil Company. The unit consists of a Foster Wheeler tube still and three section air preheater completed with ducts, fan and stack. The air preheater (in the foreground) cools the flue gases and heats the air for efficient combustion in the still.



Twenty-one million B.t.u. Foster Wheeler tube still operating in connection with the Dubbs cracking process at the British American Oil Co.



Foster Wheeler tube still, showing access door, which provides for inspection of the convection heating elements and header connections.

Indicative of the modern apparatus used by British American Oil Company in the scientific production of gasoline and other petroleum derivatives, is the equipment here illustrated. This is known as a high pressure "cracking" plant and has the capacity to handle 7,200 bbl. per day.

The oil heater and its accessory air preheater, stack and gas ducts were furnished by Foster Wheeler Limited from its works at St. Catharines, Ont. A further indication of the highly developed theory and fine quality built into Foster Wheeler apparatus at St. Catharines is its use abroad as well as at home. Large units have been shipped to Trinidad, B.W.I.; to Japan and to other foreign countries.

Foster Wheeler fabricates and erects complete oil refineries including heaters, atmospheric and vacuum fractionating towers, heat exchangers, condensers, air heaters, piping, stacks, ducts, etc.

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Cabled information reports that representatives of the Commonwealth Savings Bank and the State Savings banks of Victoria, South Australia and Western Australia at a conference here, decided to reduce their interest rates on deposits by 1 per cent.

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Trust and Loan Booklet
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The Financial Post has just published a new survey of Trust and Loan company stocks in booklet form, showing the market record and yield of the various stocks—and an introduction that will help guide the investor in choosing the most desirable of the companies in which to put his money. This new booklet sells for 25c.

In a period of declining stock prices, such as the last, the average price of nine Trust and Loan stocks listed on the Toronto Stock Exchange was only 1.2 per cent below the level prevailing a year previously. In that same time, the average of eight bank stocks had declined 4.6 per cent, ten public utilities had declined 11 per cent and twenty important industrial stocks had declined an average of 21 per cent.

The earnings on capital of the companies reviewed in this booklet average 9.5 per cent—the average dividend paid is 6.7 per cent.

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Capital (fully paid) $ 16,812,210
Reserve Fund ..... $ 17,904,630
Deposits $251,935,450
($5 to £1)
General Manager
Sir Alexander K. Wright, K.B.E., D.L.
TRADE WITH GREAT BRITAIN

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243 Branches in All

New Royal Bank Official Has Wide Experience

From Our Own Correspondent

MONTREAL.—Royal Bank of Canada announce the promotion of C. C. Pineo, presently supervisor of South American branches, New York, to be an assistant general manager, with headquarters at Montreal.

Mr. Pineo entered the service of the Union Bank of Halifax at Kentville, N.S., thirty years ago. When that institution was amalgamated with the Royal Bank of Canada he was stationed at Porto Rico. Subsequently he became joint manager at Havana, resigning in 1915 to accept the position of manager of the National City Bank of New York at Sao Paulo, Brazil. In 1919 he rejoined the staff of the Royal Bank of Canada, and was appointed supervisor of South American branches with headquarters in New York.

Mr. Pineo was a member of the Canadian Chamber of Commerce party which recently returned from the Goodwill and Trade Mission to South America.

Current Events in the Banking World

CHEQUE SYSTEM AID TO FORGERS IN CANADA BANKS

Couple Now Operate in Toronto By Clever Plan

SYSTEM AIDS CROOKS

Loopholes in Canadian Bank Practice Said to Open Way to Forgery Expert

By A. B. BARKER

Insurance companies in the United States estimate the loss from forged cheques in that country at over $300,000,000 an almost unbelievable amount. The definite figures for Canada are not available, but they are not likely to be as high proportionately for the reason that our system of branch banks throughout the country makes it so much easier to obtain adequate information than under the system of independent offices which prevails in the U. S. A.

This loss falls chiefly on the mercantile community as the usual method of negotiating fraudulent cheques is to make a purchase somewhere, making payment with a cheque for a larger amount and obtaining the balance in cash. The individual amounts are as a rule not large and the victim prefers to bear the loss rather than take the time necessary to follow it up. For this reason there is not so much heard of the practice.

Banks Not Often Caught

Banks are not often caught although there have been some spectacular cases which have received considerable publicity. Occasionally a teller is caught when he has allowed his desire to be accommodating, to outrun his caution. There is, however, no reason why he should take a chance by negotiating a cheque not drawn on his own branch. Neither he nor the bank can possibly make a profit by cashing a cheque on another office. Even if it is certain to be paid on presentation the net result is that the bearer obtains a free loan of the amount for the time it takes to clear the item in the usual course and in addition the bank which cashes the cheque must guartee the endorsement to the drawn bank and the drawer of the cheque.

Banks are generally defrauded by crooks taking advantage of the custom which obtains in Canada of permitting depositors to draw cheques against uncollected funds. In other countries this is apparently not permitted. In the United States a depositor is expected to maintain a balance in collected funds in proportion to the activity of his account. Cheques taken on deposit may be credited at once but the analysis of the account shows whether the credit balance maintained is adequate or not. Cheques against the smaller accounts are seldom honored until sufficient time has elapsed to permit the bank to realize on the cheques.

Toronto Gets Epidemic

The Canadian practice of allowing cheques against savings accounts joined to the custom of allowing depositors to draw against uncollected funds undoubtedly favors crooks as also does the misguided leniency of parole boards which will release a forger with his sentence barely begun on the strength of a penitent manner and a good yarn.

One of these gentry is operating in Toronto now and has passed a number of cheques. He has a woman confidante and the two have managed to negotiate several cheques ostensibly drawn upon the accounts of reliable customers of different banks.

The practice apparently is to open a small account in the name of either of them, some weeks ahead of the intended fraud, another at a later date. When suspicion has been allayed by the length of time the account has been open, to deposit fraudulent cheques and try to have a cheque honored for part of the amount.

In one case lately when the teller hesitated, he was asked to call up one of his own branches in regard to one of the cheques deposited. He was assured that a cheque of the party named was quite good, and paid over the cash. When presented the cheque was a forgery.

Practice Will Grow

It is probable that the couple will try others and as they have a wide choice in both names and addresses, it is the practice in general which should be guarded against.

From the purely business standpoint there is no reason why either the bank or the teller should take any chances. There is no possibility of benefit to either bank or teller in this class of business and the customer, even if he is quite good does not appreciate the accommodation.

Some believe that by little favors of this kind, accounts will be accumulated out of which eventually there will be some which will yield satisfactory profits. An experienced American banker commenting on this theory, said that from his own experience it was bunk; that people never valued anything they did not have to pay a fair price for. In his years of banking he said he has never seen an account opened with a small balance for the purpose of issuing cheques against which ever amounted to anything and his rule was to charge from the start what the service was worth

Monthly Bank Clearings

	May, 1930	May, 1931
Eastern Cities		
Saint John	$ 11,755,435	$ 10,293,935
Sherbrooke	4,523,795	3,421,488
Quebec	31,643,278	25,410,019
Ottawa	34,337,784	30,479,883
Montreal	653,945,548	644,510,462
Kingston	3,494,148	2,934,141
Peterboro	4,067,781	3,165,927
Toronto	565,166,486	538,977,036
Hamilton	27,355,402	22,900,450
Kitchener	5,324,917	5,324,971
Brantford	4,989,573	4,256,092
London	15,040,029	13,120,219
Chatham	2,684,749	2,218,860
Windsor	23,028,099	13,797,702
Sudbury	5,557,764	3,096,438
Halifax	14,876,253	14,430,063
Western Cities	May, 1930	May, 1931
Brandon	$ 2,184,102	$ 1,685,410
Regina	20,101,019	14,580,553
Moose Jaw	7,860,388	3,909,758
Saskatoon	9,600,888	7,960,994
Prince Albert	1,855,388	1,682,391
Edmonton	27,441,196	15,976,685
Calgary	35,920,945	26,230,437
Medicine Hat	1,376,926	982,306
Lethbridge	2,440,182	1,739,771
Vancouver	83,372,018	67,328,728
New Westminster	3,859,945	2,553,755
Victoria	11,269,763	8,358,430
Fort William	4,485,524	2,999,310
Winnipeg	214,691,642	193,221,635

Royal Bank Executive

C. C. PINEO, formerly supervisor of South American branches, New York, who has been promoted to assistant general manager at head office.

Bank Chat

The Bank of Nova Scotia announces the following staff changes:

J. H. MALCOM, formerly manager at Yarmouth, has been appointed manager at Fredericton.

W. T. THOMPSON, formerly assistant manager at Queen and Church, Toronto, has been appointed manager at Queen and Pape, Toronto.

M. S. BRENNAN, formerly manager at King and Sherman, Hamilton, has been appointed manager at Ossington and Dundas, Toronto.

J. T. HOLDER, formerly assistant manager at Halifax, has been appointed manager at Bath, N.B.

The Imperial Bank announces the following staff changes:

J. BURGOYNE, formerly manager, Daysland, Alta., has been appointed assistant manager, Winnipeg branch.

H. M. SAMPSON, formerly manager at Riverton, Man., has been appointed manager, Portage la Prairie, Man.

J. C. B. WILLIAMSON, formerly manager, Dafoe, Sask., has been appointed manager, Riverton branch.

E. L. MEERES, formerly teller-accountant, Jasper, Alta., has been appointed accountant, Prince Alberta, Sask.

The Canadian Bank of Commerce is closing branches at Fairview, Alta., and Hussar, Alta., on June 15.

A. E. GARDINER, for three years manager of the Provost branch of the Bank of Montreal has been transferred to the Nobleford branch.

PRAIRIE DEBITS INCREASE 34.5 P.C. ON MARCH TOTAL

Make April Total For Dominion 3.2 p.c. More Than Previous Month

Substantial gains in the volume of bank debits in the Prairie provinces during April, amounting to 34.5 per cent over the March total, after seasonal adjustment, resulted in a gain in total bank debits for the Dominion of 3.2 per cent, after seasonal adjustment, despite declines reported from other economic areas. Quebec showed the greatest decline of 8 per cent; British Columbia dropped 3 per cent; the Maritimes 2.6 per cent and Ontario 1.6 per cent. Gain in the Prairie provinces is due to a more normal shipment of grain this year and is of a seasonal trend which did not occur in 1930.

Compared with April, 1930, the total of $2,786,000,000 for April, 1931, was down 9.6 per cent. Moncton, Quebec, Toronto, Ottawa, Winnipeg, Edmonton, were the chief centres to show an increase over the previous year while each of the five economic areas were lower than in 1930. Ontario showed the least drop with a decline of only 0.4 per cent. The three clearing centres in the Province of Quebec showed a drop of 19.8 per cent in aggregate debits.

In the first four months of the current year the total of bank debits in the clearing centres of Canada was $10,560,000,000 or 13.5 per cent under the total for the same period in 1930. Declines are general in each area with the Maritimes down 4.6 per cent; Quebec down 13.6 per cent; Ontario down 8.8 per cent; the Prairie provinces down 22.2 per cent and British Columbia down 22.8 per cent.

Bank Debits Reported from Clearing Houses by Economic Areas
(000's omitted)

	April 1931 $	March 1931 $	April 1930 $
Maritimes	54,054	52,873	55,785
Quebec	932,393	909,702	1,164,661
Ont.	1,208,395	1,115,654	1,213,355
Prairie Prov.	436,511	330,424	448,959
B. C.	155,001	161,758	199,312
Total	2,786,354	2,570,411	3,082,072

W. T. A. MacFADYEN GETS PROMOTION

Bank of Montreal Appoints Superintendent For Ontario

W. T. A. MacFadyen, formerly assistant superintendent of the Bank of Montreal at Toronto, has been appointed superintendent of the bank's Ontario division to succeed Major S. C. Norsworthy, who was promoted to the position of assistant general manager at Montreal, early in January.

A native of Tiverton, Mr. MacFadyen began his banking career at London in 1906, entering the service of the former Merchants Bank of Canada. Four years later he was appointed accountant at the Oakville branch, and was later transferred to the Hanover branch as accountant. In 1914 he was promoted to a position in the head office at Montreal, where he was employed at the time that the bank was merged with the Bank of Montreal.

Since 1922 he has been in the service of the Ontario superintendent's division of the Bank of Montreal in Toronto, and has served as assistant superintendent of that division from August, 1925, until his present promotion.

Mr. MacFadyen's headquarters will be in Toronto.

Weekly Bank Clearings

	May 29, 1930	May 28, 1931
Eastern Cities		
Halifax	$ 2,504,297	$ 2,433,941
Saint John	2,138,800	2,088,893
Moncton	803,656	609,702
Sherbrooke	796,069	675,891
Quebec	4,182,875	4,430,436
Ottawa	5,179,880	4,697,243
Montreal	107,326,353	123,621,660
Kingston	631,718	547,386
Peterboro	781,460	557,831
Toronto	106,739,598	96,412,163
Hamilton	5,262,513	5,195,563
Kitchener	1,098,793	771,908
Brantford	910,891	836,771
London	2,622,779	2,393,368
Chatham	460,167	448,166
Windsor	4,333,647	2,406,656
Sarnia	523,612	427,160
Sudbury	947,425	683,344
Western Cities	May 29, 1930	May 28, 1931
Fort William	$ 941,082	$ 501,334
Winnipeg	43,823,533	42,477,240
Brandon	375,820	307,874
Regina	3,866,516	2,624,667
Moose Jaw	1,647,833	525,161
Saskatoon	3,962,648	1,332,023
Prince Albert	346,505	305,524
Edmonton	4,753,083	4,476,586
Calgary	6,555,271	4,625,988
Medicine Hat	234,370	172,966
Lethbridge	592,628	344,415
Vancouver	16,168,440	13,420,421
New Westminster	778,139	442,810
Victoria	2,160,589	1,532,953

Insurance for Buyer and Seller

INSURANCE FIGHT SET FOR LONDON AT END OF JUNE

Many Interests Prepare For Appeal Before Privy Council

The next step in the constitutional battle of Canadian insurance is to be taken before the Privy Council at London at the end of this month. At that time the attorney-general of Quebec will appeal a dual judgment handed down last fall which upheld the province by a three to two decision in its fight for insurance jurisdiction and which upheld the Federal Government by a strong majority in its contention regarding taxation of unlicensed insurers.

The case is made doubly interesting through the action of the Bennett Government this week in increasing the tax on unlicensed insurers from 5 to 15 per cent, effective Oct. 1, 1931.

Intervening with the attorney-general of Quebec are five Canadian industrial corporations representing all Canadian companies who place their insurance with the New England Factory Mutual group. These companies will be represented at London by V. Evan Gray, eminent insurance counsel. In addition Ontario and British Columbia have announced their intention to intervene with Quebec, the former province having appointed W. N. Tilley, K.C. and R. Leighton Foster, superintendent of insurance, to act as its legal representatives.

This hearing before the Privy Council will undoubtedly be the most important in the history of Canadian insurance. It will climax nearly 50 years of dispute as to who shall control insurance in the Dominion, and will, it is hoped, in addition to settling once and for all the respective rights of the provinces and the Federal Government in this matter, define the status of insurers now licensed by Provincial Governments and not licensed by Federal authorities.

The five corporations whose names appear in the intervention as representing all companies carrying insuring with the New England Factory Mutual group are: Belding-Corticelli, Ltd.; Moore Corp.; Massey-Harris Co.; Monarch Knitting Co. and Abitibi Power & Paper Co.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Insurance Applications

An applicant for life insurance fills out a "proposal" but there is no medical examination, in fact just the applicant's own account of his case. Two companies refuse to consider the applicant for insurance after reading his statements in the proposal.

Is this rejection filed in the records of these two companies? Given to other companies?

Are rejections on the basis of actual medical examinations made known to other insurance companies?

Insurance companies are very apparently reluctant to give a definite answer to this question but it is actually of no particular value to a policy-holder to know what happens as long as he tells the truth in his application.

That is to say all applications ask directly whether or not you have applications pending with other companies and whether you have made application at any time and have been refused. If the company were suspicious it could find out if another company had refused your application.

New Insurance Taxes Not Effective Till Oct. 1

Tax on Fire and Casualty Premiums Only Dropped in 1929—Privy Council Appeal May Affect 15 p.c. Levy on Unlicensed Insurers

On and after October 1, 1931, all Canadian insurance companies other than life, marine and fraternal benefit societies will pay a 1 per cent tax on net premiums received by the company in Canada, according to the Bennett budget announced this week. Total net premiums received by Dominion licensed companies in this category in 1930 amounted to $96,000,000 of which $55,000,000 was received by fire insurance companies and $41,000,000 by casualty companies. In addition premiums received by provincially-licensed companies and which amounted to $7,000,000 in 1929, are taxable.

This 1 per cent tax was first inaugurated in the same form in 1915 when the Special War Revenue Act was invoked. It had been in force every year since that time until 1929 when it was abolished. Together with the tax on unlicensed insurers of 5 per cent it has yielded annually between $900,000 and $1,000,000 in revenue to the Government in recent years.

The other important change affecting insurance is an increase in the tax on so-called "unlicensed" insurance placed in Canada by Canadian corporations to 15 per cent of gross premiums. This affects all British and foreign insurance companies not licensed at Ottawa. The tax on this group of companies is borne by Canadian insurers themselves and was formerly 5 per cent. Latest figures available, namely for the year ended Dec. 31, 1929, show that insurance to the value of $859,000,000 was placed in Canada by this class of company of which $818,000,000 was placed on industrial plants and mercantile establishments. Of the total, $540,000,000 was placed with mutual companies; $130,000 with reciprocals; $123,000,000 with Lloyds and $66,000,000 with joint stock companies.

Unlicensed insurers are considered to be British and foreign companies who are not licensed under the federal government at Ottawa, irrespective of whether they are licensed by provincial insurance authorities. At the present time practically all companies writing business in Canada are licensed either at Ottawa or with the provinces and at the end of June a final appeal will be heard before the Privy Council at London which it is hoped will settle once and for all the question as to whether British and foreign provincially licensed companies are actually "unlicensed" or not, and will also settle the right of the federal government to tax British and foreign insurance companies licensed only under provincial jurisdiction. As the new 15 per cent impost does not come into effect until Oct. 1, 1931, this point should be definitely settled by that time.

CAN. INDEMNITY CO. HAD DIFFICULT YEAR

Assets and Income Decline and Loss Ratio Increases

With net premium income for 1931, $45,537 lower than the previous year and total income of $969,509 as against $1,011,405 in 1929, Canadian Indemnity Company, with head office at Winnipeg, showed a loss on operations of $82,894 after dividends and setting up a reserve of $50,000 for depreciation in market value of securities. In 1929, $15,000 reserve was set up for this purpose.

Income and disbursement account shows an increase in the amount received in interest on investments and bank balance of about $5,000 over 1929, at $56,316. General expenses were higher at $172,402, this comparing with $150,390 for the year before, while net losses paid and outstanding showed an increase of $183,422 at $542,014.

Total assets as at December 31, 1930, amounted to $1,252,395, having dropped $22,287 below the total as at the end of 1929. Investments at $1,075,574 were $35,090 lower. The balance sheet surplus, exclusive of the paid-up capital was $226,740 compared with $309,635 at the end of the preceding year, although the 1930 statement includes among the liabilities a reserve of $40,205 for unearned premiums of reinsuring companies, for which no provision was made in 1929.

Loss Ratio Higher

The ratio of losses to premiums written during the year showed an appreciable increase at 59.35 per cent as against 37.4 per cent for the previous year. The 1930 ratio is the same as that for 1928.

A table showing the loss ratio by departments for both 1930 and 1929 appears below.

Ratio of Losses to Premiums, 1930 and 1929

	Prems. writ. 1930	Loss ratio 1930	Loss ratio 1929
Fire	$198,516	58.7	45.8
Accident	47,224	27.1	35.9
Automobile	217,826	66.4	64.1
Burglary	27,836	32.5	17.9
Fidelity	48,382	52.0	68.4
Surety	100,455	6.9	9.2
Hail	259,018	93.3	21.6
Inland transp.	3,972	100.6	37.1
Plate glass	8,024	36.8	27.6
Totals	$913,193	59.3	37.4

Bankers Indemnity Insurance Co., with head office at Newark, N.J., which formerly carried on business in Moose Jaw, Sask., has been struck off the register in that province.

Insurance Inklings

The Sun Life Assurance Co. of Canada opened new offices in Ireland at 24 Suffolk St., Dublin, on April 23, the opening being celebrated by a dinner.

R. H. L. SKINNER has been appointed manager for New Brunswick for the Continental Life Insurance Co., according to a recent announcement made by E. V. N. HODGINS, eastern superintendent of the company at Ottawa.

DAVID McCANN has joined the Ottawa agency of the Ontario Equitable Life as assistant manager.

ALFRED S. UPTON has been appointed manager of the Toronto branch of the Mutual Relief Life Insurance Co. Mr. Upton has been engaged in the insurance business in Ontario and Quebec for the past seven years.

Atlas Underwriting Profit Increased on Fire Business

Atlas Insurance Co. received fire premiums amounting to $10,865,895 in the year ended December 31, 1930, and secured a net underwriting profit of $972,628 as compared with $970,450 in 1929. The loss ratio was 49.8 per cent but the ratio of fire expenses increased to 44.07 per cent from 42.5 per cent in 1929.

In Canada the net fire premiums written by the company amounted to $751,913 the loss ratio being 50.8 per cent as compared with 49.5 per cent in 1929 and 44.49 per cent in 1928. The parent company has been in existence for 123 years and has been operating in the Canadian field for 44 years.

Disclaims Responsibility For Mariners' Insurance

A resolution urging the Dominion Government to provide insurance for mariners on Canadian boats from November 1 to the end of navigation was withdrawn in the House of Commons recently following a statement by Premier R. B. Bennett, who stated that it was not an obligation of the Federal Government.

"While I am of the opinion," the Prime Minister stated, "that when the Merchants Shipping Act will be revised, as it must be here ultimately after the Statute of Westminster is passed, it will be competent for this Parliament to impose conditions to be incorporated in ships' articles that would necessitate insurance being carried by the owners of the ships on the lives of seamen on the boats, it would not be right or fair to impose on the taxpayers of Canada as a whole the burden of the duty, as it was here alleged to be, of providing insurance for every mariner on Canadian boats from November 1 to the end of navigation."

Acme Assurance Bill Given Reading

First reading has been given in the House of Commons to a bill to incorporate the Acme Assurance Co. It is proposed to organize a company which will be empowered to issue bonds of indemnity. The bill, sponsored by J. Earl Lawson, Conservative member for West York, has already been approved by the Senate.

A Private Income of $100 a month for Life
... from age 55!

$100 A MONTH if in good health

$100 A MONTH if in ill health

$10,000 CASH in case of death

Just picture it—At 55, while still well and vigorous, to come into a private income (over and above other revenues), guaranteed for the rest of your life, of $100 a month.

You simply make yearly or half-yearly deposits of an agreed amount for a specified period, at the end of which you begin to receive a monthly income for life.

That's only part of the story—If, meanwhile, through sickness or accident you should become totally disabled, you cease paying premiums and receive $100 a month during such disability. At age 55, the regular income of $100 a month, unimpaired, comes into effect.

Look how your family is protected—Should you die at any time before reaching 55, your family receives $10,000.

Fill in and forward this form (which involves you in no obligation) and exact figures suited to your individual need will be sent you.

SUN LIFE ASSURANCE COMPANY OF CANADA
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Without obligation on my part, please send full particulars of your $100-a-month-for-life plan as outlined in your advertisement in ....
(Name of Paper)
Name (Mr., Mrs. or Miss) ....
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Address (Street) .... (City) ....

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Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
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PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.

This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

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Canadian Mining News

MILL ALL ORE IN NEW METHOD AT LAKE SHORE

Old Stopes Being Cleared to Prepare For Back Filling

FORESEES LONG LIFE

Permanent Nature of Plant Indicates Belief Kirkland Lake Mine Will Continue Long

Lake Shore Mines expects to have its ore cleaned up in the old stopes on the upper levels by next September, Harry Oakes, president of the company, told The Financial Post last week.

Since the new mill addition, increasing the capacity from 1,300 to 2,100 tons daily, was brought into operation last fall, mill heads have dropped and recovery has been around $12.40 per ton as compared with over $14 obtained in the first nine months of 1930. When this increase was made it was anticipated that a lower grade of ore would be treated, but a drop to $12.40 per ton was more than anticipated by those who were not familiar with the situation.

Mill Low-Grade Ore

Due to a change in mining methods from the shrinkage system to the cut and fill system it was advisable before back-filling the old upper stopes to remove any ore remaining. Some of this ore had been broken and lying in the stope for some time. When broken it assayed around the average for the mine, but when the clean-up was made it was found that the walls had sloughed off to the extent that the grade had been materially diluted. It is a relatively high proportion of this ore that is accountable for bringing the mill head down to the average for the past six months of around $12.40 per ton. In some of the old stopes the broken ore had been drawn and the sloughing off of the walls gave assays that would not ordinarily be considered ore, but since no other cost was involved than tramming and milling, it was considered good practice to treat it.

Mr. Oakes said that he did not look for the heads to increase materially even after the upper stopes were cleared as there remained in the mine, much low-grade ore, particularly in the south vein system, that could be treated at a profit. Lake Shore is known to have much high-grade ore in its No. 2 or north vein system and the prediction of the president that heads will not materially increase indicates that, although this high-grade ore will materially sweeten the mill heads, it is the intention to clean up the levels as deep work progresses and leave no ore that could be treated at a profit.

Wasting No Ore

In the past this lower-grade ore could be left to be picked up at a later date, as is being done at the present time, but the new cut-and-fill method precludes this practice, since it is back-filled with sand and gravel to eliminate possible danger of caving.

The statement of Mr. Oakes that the upper levels will be cleared by September, and after that date mill heads would not appreciably increase, indicates the company proposes to wring the last pound of ore out of the mine as work progresses, rather than aim at high mill heads and recoveries. Such practice seems sound and carries with it indications of further increases in mill capacity. While the mill with its new additions has been averaging around 2,100 tons of ore daily it is capable of quite comfortably taking care of 2,500 tons daily. Slight alterations and refinements would make 3,000 tons daily possible, and it will come as no surprise if this tonnage is treated within the next 12 or 18 months.

Profits About $1.80

The lowest level developed at the present time is the 2,300-ft. horizon. The No. 2 or high-grade north vein system of this level has been drifted until it closely approaches the Teck-Hughes boundary on the west and the Wright Hargreaves boundary on the east, a distance of approximately 2,500 ft. This vein averages better than $30 per ton in gold over an approximate width of nine feet and is regarded as the longest and richest ore shoot developed in any Canadian mine. The westerly part of this vein, toward the Teck-Hughes boundary, showed widths from ten to fifteen feet, while toward the Wright Hargreaves boundary it pinched and swelled, making the average for the entire length approximately nine feet. There was an apparent steady increase in the grade of ore in this No. 2 vein system, as it was opened up at depth, but the 2,200-ft. horizon exceeded expectations. Operations are now directed at opening up five new levels at intervals of 125 ft., or to the 2,825-ft. horizon. It is expected that by September drifting will be under way on all five of these levels, and great interest is attached to these developments owing to the manner in which the 2,200-ft. horizon has developed.

The company's fiscal year ends June 30, and based on quarterly production, the total tonnage of ore treated will be approximately 683,000 tons, giving a recovery of approximately $8,850,000. Based on operating costs and write-offs, the same as last year, there is an indicated net profit of $3,750,000 or approximately $1.80 per share. The probabilities are that production costs have been materially reduced, which would indicate earnings above this figure. Dividends and bonuses declared and payable during the current fiscal year bring these disbursements up to $1.80 a share.

Earnings Will Decrease

Earnings for the next fiscal year, when the company will have full benefit of its increased milling facilities and reduction in costs, promises to show close to $2.50 per share. Since it has been the policy of the company to distribute dividends approximating its net profits, it is not held as unlikely that dividends of $2.40 per share will be paid during the next fiscal year. The action of the company in making two quarterly sixty-cent distributions in the current fiscal year makes such action not seem improbable.

Total operating costs for the last fiscal year were $6.43 per ton and, while lower than some of the large producers in the Kirkland Lake district, are commonly regarded as high. Depreciation and other write-offs brought the total costs per ton to $7.52. The new and larger mill capacities are expected to make some reductions from these figures, but to those who have followed Lake Shore's operations it is apparent that it is not trying to establish low production costs. A survey of the company's physical equipment indicates a policy based on a belief that the mine will continue for many years. Not only in the mill but the entire surface plant, accommodations for employees, office and recreation centres, is there an air of permanence that will ultimately be reflected in lower-cost operations, through reduced maintenance, freedom of interruption and general comfort of its employees.

March Sea Catch Higher

On both coasts of the Dominion, March brought larger catches of sea fish than were landed a year ago and the total fare amounted to 25,996,500 pounds, as compared with 24,345,400 pounds in March, 1930, according to a report of the department of fisheries.

Gold Development Active East of Rouyn District

From Our Own Correspondent

AMOS.—A centre of activity for prospectors and exploration parties is that part of the gold-bearing belt lying east of Rouyn, P.Q., for about 70 miles.

This area embraces the easterly part of Rouyn district, Cadillac area, the Malartic and Siscoe areas, while further to the east is the new discovery in Pascalis township. Already in this area are four gold producers. Noranda and Granada-Rouyn on the western extremity, O'Brien-Cadillac in the central part and Siscoe in the easterly part. The manner in which this area has responded holds great promise for the exploration now under way. Syndicates and companies are carrying out all manner of mining operations from prospecting to production and this coming summer will see shaft-sinking under way at a number of properties.

While Granada-Rouyn and Siscoe are both exclusive gold producers, Noranda Mines has the largest gold production, associated with its copper output. In addition, O'Brien-Cadillac, while having no mill, is making shipments of high-grade sorted ore and the installation on this property of a new crusher, indicates that it is a forerunner of production on a larger scale.

No official information is available, but there are rumors that electric power will be available to the area through construction of a new transmission line. Much of the new equipment installed, while steam driven, is provided for conversion to electric power, and if operations warrant, it is highly probable that a transmission line will be built, which will act as a great stimulus to the development of the area.

How to Investigate Mining Stocks

Before you buy a mining stock is the right time to investigate the property and get the true facts from an impartial and authoritative source.

That source is a 224-page book — the last Financial Post Survey of Mines — which gives the facts about all the mines and prospects in Canada and Newfoundland, and is the recognized record of authority.

There is much interest now in gold stocks. Many companies have done well by investors in the last six months and have promise of still further appreciation.

If you are interested in gold or any other mining stocks, your first investment should be $2.00 for the Survey of Mines. It will be sent you postpaid at once if you mail the coupon with your $2.00 now.

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KIRKLAND HUDSON PLANS EXPLORING FROM LAKE SHORE

Deep Work Feasible Without Sinking Shaft on Property

Kirkland-Hudson Bay Gold Mines held its annual meeting on May 27, at which time shareholders were advised of arrangements whereby deep exploration will be carried out through crosscuts and drifts from the lower levels of the Lake Shore Mine.

The company's property, which comprises 185 acres in Teck township, adjoining the Lake Shore Mines on the south and east, was explored by diamond drilling in 1929. Four holes were drilled, the last one being put down jointly by the company and the Townsite Mining Co., from the underground workings of the Wright Hargreaves Mines. Shareholders were told that results of the limited exploration programme carried out were very encouraging. Though no ore bodies of commercial grade were discovered, a number of veins, some of them being important fractures extending to depth, were located. The work demonstrated that exploration should be carried out at depth, as aside from the known southerly tip of the main veins of the Kirkland Lake camp, other parallel fractures indicated promise.

Since completion of the diamond drilling campaign in 1929, the company has been endeavoring to interest capital to carry out further deep exploration work. A. A. McKelvie, president, announced at the meeting that arrangements had been concluded whereby 1,200,000 shares of treasury stock had been sold to R. M. Porteous, of Montreal, at 20 cents a share. Funds realized from this sale of treasury stock will be used further to develop work during the coming summer. The arrangement made with Lake Shore Mines will provide for an extensive development at depth without going to the expense of sinking a deep shaft.

The financial statement for the period from Jan. 1, 1928, to April 30, 1931, showed total expenses of $32,969 as against receipts of $32,112. The principal revenue was from the sale of surface rights as town lots.

The balance sheet as at April 30, 1931, showed current assets of $46,942, including $12,017 in cash, $7,071 in accounts receivable, $20,069 in Noranda Mines stock at cost, and $7,785 in Teck-Hughes Gold Mines at cost. The current liabilities total $154, being made up of accounts payable.

RUBEC MINES, LTD., NOW CLEAR OF DEBT

Some Claims Sold; New Company Formed to Hold Others

Rubec Mines shareholders approved, at a recent meeting, of the transfer of three isolated mining claims and 8,000 shares of Granada Rouyn Mining Co. stock to Irving J. Isbell, to clear up outstanding obligations amounting to $21,146. This renders the company free of indebtedness.

Approval was also given of the transfer of the company's Pelletier Lake group of properties in Rouyn township to a new company to be formed. The new company will be known as the Granada Extension Mines Ltd., in which the company receives 500,000 shares or about one-third of the total stock issued in the property. Other properties to be acquired from other companies include a portion of that held by the Granada Rouyn Mining Co., United Copper Syndicate, Ltd., and the W. J. Grace property. Also it is probable some properties held by the Huronian Mining & Finance Co. will be included.

Rubec Mines was incorporated in 1927 to develop properties in north-western Quebec and at the present time holds 28 claims aggregating 2,400 acres in Rouyn township, Cadillac township and Bousquet township. Financial difficulties have curbed the company's operation. The company has an authorized capitalization of $5,000,000 in $1 par value shares of which 3,355,230 are outstanding.

CANADIAN ENTERPRISES
LIMITED
Developing Gold Properties
Keefer Bldg. — Montreal

SYLVANITE GOLD EARNS $134,004 FOR PAST YEAR

Bullion Recovery Totals $837,014 From 83,034 Tons Treated

BROKEN ORE HIGHER

Liquid Position is Adequate For the Continuance of Dividends; Average Grade $10.08

Annual report of Sylvanite Gold Mines situated at Kirkland Lake, Ont., for the fiscal year ended March 31, 1931, shows a net profit of $134,004 after write-offs, equivalent to 4 cents per share, on the 3,299,500 shares outstanding. This compares with net profits of $26,694 in the previous year. Not only were net profits, production, and ore reserves the greatest the company has enjoyed since the commencement of production in 1928, but the company finished the year with the strongest liquid position yet enjoyed, notwithstanding its inaugurating the payment of dividends.

On December 20, 1930, the company paid an initial dividend of two cents per share. Recently a further distribution of two cents was declared, payable on June 30, which establishes the company on an annual basis of four cents per share.

Income and Surplus Account
Years Ended March 31

	1931	1930	1929
	$	$	$
Bullion produced	837,014	690,400	737,573
Less expenses:			
Operating	611,959	589,226	548,694
Adminis.	21,214	19,756	21,177
Net oper. earn.	203,841	81,418	167,702
Add: Other inc.	15,890	20,237	12,921
Total net earn.	219,731	101,655	180,623
Less: Deprec.	78,436	74,961	75.072
Taxes	7,291	......	10,077
Net profit	134,004	26,694	95,474
Less: Dividend	65,990	......	......
Surplus for yr.	68,014	26,694	95,474
Add: Prev. surp.	280,249	253,555	158,081
Bal. car. fwd.	348,263	280,249	253,555
Earn. per Share and Div. Record:			
Earned	$0.04	$0.008	$0.029
Paid	$0.02	......	......

Production during the year averaged approximately 227 tons daily. Last autumn, through minor changes and adjustments, the milling capacity was increased to a daily rate of 250 tons and it is regarded as probable that this will be nearer the rate prevailing during the current year.

The following is a comparison of production and recovery since the commencement of operations:

Production in Fiscal Years
Ended March 31

Year	Tons Milled	Recovery Per Ton	Bullion Recovered
1928 ...	57,341	$10.62	$609.181
1929 ...	70,833	10.41	737,573
1930 ...	75,408	9.16	690,400
1931 ...	83,034	10.08	837,014
			$2,874,168

Production costs were again reduced but remain relatively high, reflecting the extensive exploration and development work done.

The following is a comparison of costs in previous years:

Production Costs Per Ton of Ore
Years Ended March 31

	1931	1930	1929	1928
	$	$	$	$
Devel. & explor.	2.56	2.74	2.41	6.30
Mining	3.22	3.14	3.31	
Milling	1.28	1.33	1.33	
Taxes	.09	...	.14	.20
Gen. & adminis exp.	.67	.93	1.05	.34
Total oper. costs	7.82	8.14	8.24	6.84
Depreciation	.94	.99	1.06	1.11
Total costs per ton	8.76	9.13	9.30	7.95
Recov. per ton	10.08	9.16	10.41	10.62
Profit per ton	1.32	.03	1.11	2.67

In the annual report, C. E. Rodgers, general manager of the company, referred to operations as follows:

"No. 2 shaft was deepened from 2030.5 ft. to 2334.5 ft. and sinking is being continued with a probable temporary objective of 3000 ft.

"Aside from work in the more intensively explored and known productive areas in this part of the mine, which produced 61.2 per cent of the ore treated during the year, several hundred feet of drifting was done on the main south vein at the 1,100 ft. horizon. There a considerable tonnage of ore of an indicated grade of about $6 across 8 to 10 ft. was developed west and east of a fault displacing the vein about 120 ft. to the south on the east side.

"Another section partially explored during the year was that on the 400 ft. level at about 600 ft. north of the shaft. Two veins were indicated: one at least (as shown by diamond drilling) extends east of the Sylvanite major fault. In addition to drifting, a limited amount of stoping and diamond drilling was done. Work thus completed gave fair promise for the development of easterly extensions of known ore bodies of importance to the west and exploration is being continued. During the year a substantial tonnage of the richest ore yet found in the property was mined from this north vein system below 1,000 ft. level.

"Sinking at No. 4 shaft was continued from 1,480 ft. to 1,762 ft. In addition, station and sump excavations were made here to the extent of 13.915 cubic ft.

"In this area lateral work was done on eleven levels from 200 to 1,750 ft. Some stoping was also done, and stope preparation was carried on at a number of levels. As a whole, highly satisfactory results were obtained, 38.8 per cent of the mill feed for the year having been supplied from this section. Ore bodies of good size were developed and substantial additions to these are confidently expected."

Ore Reserves Greater

The ore reserves of the company reflected the extensive development work carried out during the year and now stand at 67,722 tons of broken ore in the stopes, and 6,528 tons on the dump. This compares with 55,807 tons reported broken at the end of the previous year. These ore reserves are sufficient for about ten months supply for the current mill capacity. No attempt is made to estimate the probable ore owing the irregular nature of the ore shoots.

The balance sheet shows the company in good liquid position and able to continue its modest dividend distribution. In respect to its current assets it is noteworthy that the company did not venture its cash into investment attractions, preferring instead to hold it on deposit in Canadian banks. The result is no shrinkage in its liquid resources have occurred. Since the end of the fiscal year the company's cash has been invested in Canadian, federal, municipal and railway bonds. It is interesting to note that while Sylvanite is controlled by Buffalo interests it has seen fit to reinvest its earned surplus in Canada.

The following is a comparative statement of working capital for the past three years:

Working Capital

	1931	1930	1929
Current assets	481,859	424,776	388,631
Current liabs.	68,227	73,904	67,504
Working capital	413,632	350,872	321,127

CANUSA MINING TO INSTALL MILL

Interest Revives in Old Property at Porcupine

Canusa Mining & Exploration Co., which owns the old Scottish Ontario property in the Porcupine district of Ontario, is preparing a site to install a 50-ton pilot mill, according to official information.

The company recently completed financial arrangements which officials say are sufficient to complete the development programme planned and construct the mill. Detroit interests are reported to have undertaken to provide money that a thorough test of the property might be completed.

Original Porcupine Find

The new pilot mill will be a modern and efficient unit powered by electricity and through its use it is anticipated that thorough bulk sampling can be carried out and the possibilities of the property determined.

Considerable romance is attached to the property as it was the original find in the Porcupine district in the summer of 1909 which caused the rush into the area. Litigation, bush fires and lack of capital have retarded a thorough exploration. Present activities indicate that a thorough exploration of the property will be financed and for once the exploration so long deferred can be carried to conclusion.

A recent communication said that drift on the 100 ft. level shows full face in quartz with free gold, 400 ft. west crosscut.

The present board of directors consists of Charles T. Fisher, Jr., Morris Kendrick, Arthur T. Waterfall, and Robt. Schram, of Detroit; George Neukom, Toledo; George J. Miller and Thomas R. Deacon, of Toronto.

The authorized capitalization is $3,000,000 in $1 par value shares approximately all of which will be outstanding when all rights and options to financial sponsors are exercised.

"Hypernic" is New Alloy With Nickel as Ingredient

"Hipernic," a new and superior magnetic alloy, developed by Dr. T. Yensen, chief of the magnetic division of the Westinghouse Research Laboratories, is of great interest to followers of International Nickel.

This new alloy, the result of years of research work, is another triumph for science, and emphasizes the ever-expanding uses of nickel. The new alloy derives its name from the first syllables of its chief characteristic, high permeability nickel.

Its practical application is principally as a core material for electrical transformers. Heretofore, silicon iron has been used for this purpose owing to its higher permeability and lower hysteresis losses, but "hipernic" has a superior permeability and its hysteresis loss is from one-sixth to one-tenth that of the best silicon iron.

Removed from technical langauge it simply means that this new nickel alloy is capable of reducing electrical losses in transformers by about one-half. It is estimated there are about 10,000,000 electrical transformers of all sizes in the United States alone, ranging from the small type used in radio reception, to the huge units found in power stations. From this the possible importance of the new alloy can be seen. This electrical loss is dissipated in the form of heat, requiring various cooling mediums. When it is realized that this loss can be reduced by one-half, significance can be attached to the importance of the new alloy.

While the public is only now learning of the qualities of "hipernic," it has actually been in use in Canada for over a year. The application to date has been confined to small Westinghouse type "NA" instrument transformers, but now it will be available in other sizes. The cost at the present time for a transformer with a core of "hipernic" is about 30 per cent above that having silicon iron.

While followers of International Nickel will be interested in the alloy from the standpoint of how much nickel it will consume, its contribution in the conservation of electrical energy is of first importance. Its development is but another addition to the growing use for nickel.

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MONTREAL TORONTO WINNIPEG VANCOUVER

Canada in Second Place Among Gold Producers

Decline in U. S. Production Diverting Investment Interest to Principal Dividend Payers of This Country

Canada's importance as a gold producer is steadily increasing, as is shown by the accompanying table giving world production.

Today, Canada is second only to South Africa in gold production. While the production from South Africa at the present time is over four times that of the total of Canada, these two countries are the principal sources of a British Empire production which today is 73 per cent of the world production. Canada's contribution to the British Empire production is approximately 16 1/3 per cent.

With the gold production from the United States declining, increasing interest is evidenced by that country in the investment possibilities of Canadian mines. With almost the entire list of securities on the New York Stock Exchange registering new low levels the strength shown by the dividend-paying gold stocks in Canada is an endorsement of the preferred position enjoyed by these securities.

In order to follow the activities of these gold stocks in particular, many New York brokers are now negotiating for ticker service from the Standard Stock & Mining Exchange, the principal mining market. Not only is New York interested in this, but through private wire connections other important centres in the United States are manifesting an interest in Canadian gold stocks.

On Monday last Dome Mines jumped from a low of $11.40 per share to a high of $12.75 per share. While the action of this stock cannot be taken as a precedent of what may happen to all the dividend-paying golds, yet it reflects the growing interest.

Big Missouri Liquid Assets Total $46,120

Annual report of Big Missouri Mining Co. for the year ended December 31, last, shows current assets totalling $76,120 as against current liabilities of $30,000.

The chief interest of Big Missouri Mining Co. is its 47 per cent interest in the Big Missouri mine situated in the Portland Canal district, British Columbia, now under development by Consolidated Smelters. Smelters has furnished the Big Missouri Co. with weekly reports of progress and assays of samples taken from drifting, cross-cutting and diamond drilling. It is said that the work is being carried on in a most systematic and economical manner, but further information is not available.

Through a subsidiary known as the Missouri Monarch Consolidated Mines Co., the Big Missouri Co. has been developing two silver-lead mines, the Black Forest and the Monarch. These two properties have been under development since acquisition in 1928 and 1929, but the low price of silver and lead forced the suspension of development of the Monarch property last June, while work at the Black Forest was discontinued last December.

The company has an authorized capitalization of $5,000,000 in $1 par value shares of which 4,410,000 is outstanding.

SMALL TEST MILL FOR HERB LAKE

C. B. Morgan and Associates Plan to Do Custom Work of Area

The ten-ton cyanide test mill formerly used at the Bingo Gold Mines in the Herb Lake district, Manitoba, is to be operated in treating ore at Herb Lake properties, according to advice from The Pas.

C. B. Morgan and Associates have announced the purchase of this plant which they intend to move to another property in the Herb Lake area, treating ore from their own claims as well as doing a custom business for the benefit of claim owners in the area. The operation of a small mill in the area is regarded as being of great importance to many property holders as it will enable them to bulk sample the ore. An assay office is to be operated in connection with the little mill.

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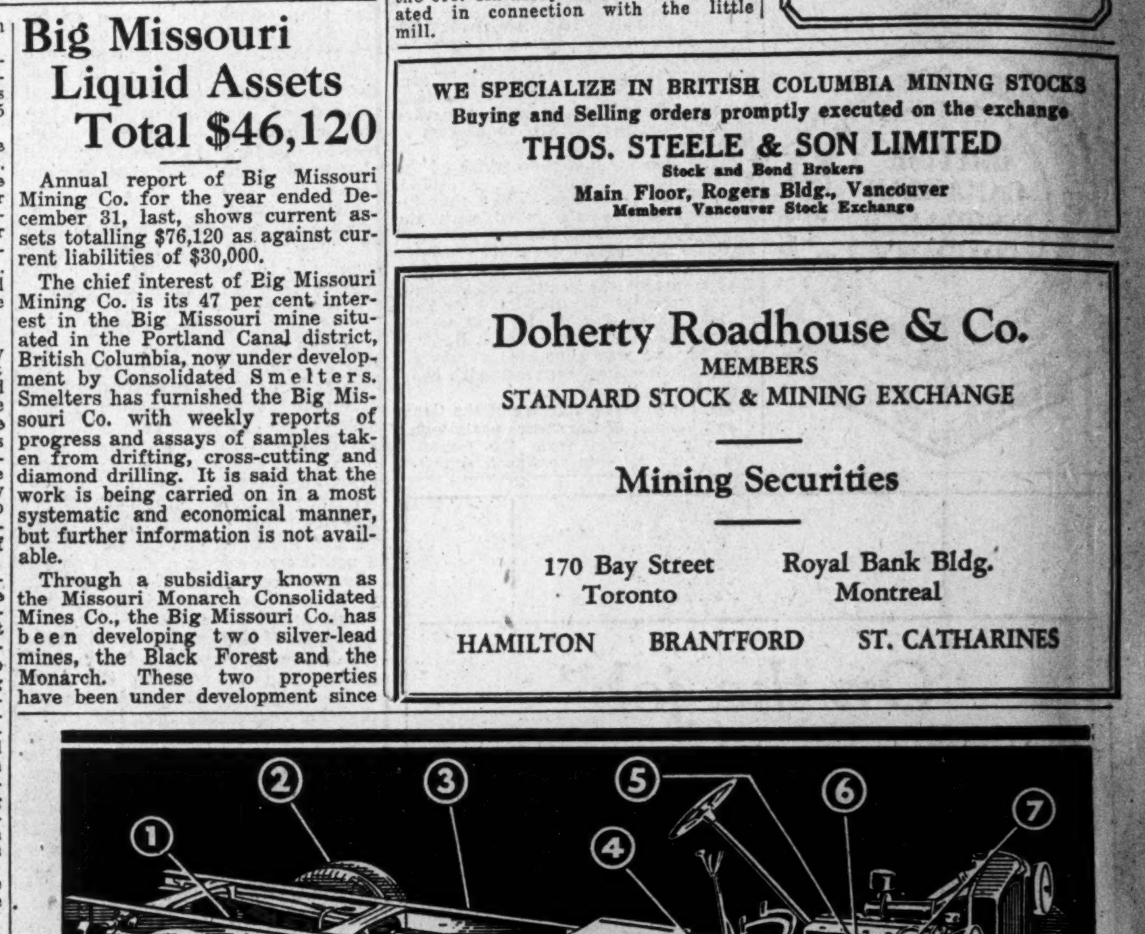

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Financial Strength of Canadian Companies

(As measured by working capital, liquid assets, and earnings reports for last fiscal year which includes most or all of 1930 in each case)

	Principal Current Assets				Principal Current Liabilities		Present Earnings Position	
Company	Working Capital	Cash & Liquids	Inventories	Receivables	Owed to Banks	Payables Except Dividends	Dividend Requirements	Profits Available
Bell Telephone	—$184,433(14)	$665,778	$2,195,020	$3,327,235(15)	$800,000(16)	$3,828,278(17)	$5,681,072	$5,416,328
Brantford Cordage	2,359,602	349,921	863,801	1,164,809	......	41,208	141,201	340,439
Brazilian Traction	14,113,132	12,153,238	10,297,912	4,341,267	......	10,449,385	11,501,571	12,861,097(18)
F. N. Burt Co.	1,241,832	297,377	825,443	377,448	......	176,786	326,572	346,808
Canada Bread	372,459	362,426(19)	170,853	331,233	......	426,428	362,500	429,326
Canada Cement	3,758,744	1,904,874(8, 13)	2,411,164	1,223,814	......	1,440,183	1,363,733	1,566,015(5)
Canada Dry Ginger	4,425,717	3,055,433(8)	522,741	2,232,783	......	849,510	1,536,882	3,244,061
Canadian Canners	7,000,035	575,848(8, 13)	8,437,240	1,069,400	2,671,349	548,877	633,307	610,765
Can. Gen. Electric	15,605,907	12,717,774(8, 13)	6,225,835	2,678,437	......	2,068,822	1,354,422	3,765,798
C. P. R.	68,340,857	46,996,113(8, 13)	25,445,272	10,242,665	......	14,343,193	21,755,623	38,381,716
Consol. Industries	959,023	352,169	197,785	640,451	......	231,382	111,794	557,554
Consol. Smelters	13,776,509	8,831,744(8)	10,709,764	2,757,754	2,263,334	2,915,056	1,340,460(23)	2,378,350
Consumers' Gas	3,068,538	2,141,358	883,397	762,678	......	387,645	1,325,000	1,390,000
Dominion Stores	2,655,226	1,682,514(8)	2,029,782	74,077	......	1,047,833	333,258	530,809
Famous Players	848,369	1,761,280(8)	23,544	234,543	......	950,403	757,320	1,906,255
Fanny Farmer	988,574	867,222	211,752	3,140	......	93,540	142,906	286,218
Ford of Canada	27,552,607	18,498,417	3,733,647	6,645,851	......	1,325,308	1,990,752(22)	3,157,877
Gypsum, Lime	1,614,303	546,001(8, 13)	775,834	686,262	35,000	299,222	360,701	308,364
Imperial Oil	63,210,511	15,600,100	34,979,458	21,444,636	......	8,991,331	13,358,913(10)	19,020,360(5)
International Nickel	30,103,000	10,030,043(8)	21,060,096	6,155,744	......	6,659,399	10,684,335	11,770,060(12)
Massey-Harris	41,047,007	1,771,105(24)	21,933,879	29,006,586(25)	7,980,486(26)	3,683,977	0	—3,747,440
Montreal Power	30,576,650	33,676,145	326,621	2,219,242	......	3,159,970	5,837,779	8,943,584(5)
Moore Corp.	2,925,893	945,085(13)	946,555	1,542,855	......	343,262	661,114	742,355
Page Hersey	5,949,737	3,369,932(8, 13)	2,197,545	864,918	......	266,365	860,963	1,801,666
Rogers Majestic	1,703,001	573,065	1,269,095	....	......	139,159	150,659	390,378(5)
Service Stations	5,343,788	1,774,147(8)	2,528,076	1,660,595	......	464,127	666,665	751,433(9)
Shawinigan	13,979,326	13,933,313	1,312,717	1,925,312	......	598,554	5,445,625	5,770,670(5)
Simpson's	9,629,870	89,934	7,808,759	4,892,774	......	2,868,535	911,136	1,344,776(5)
Steel of Canada	13,767,043	5,934,598(3)	6,878,054	2,397,025	......	1,118,745	1,259,741	1,741,283
Walker's	17,742,785	7,784,915(8, 13)	9,959,310	881,365	......	380,528	1,320,000	2,424,305(9)

1. Understood to be $500,000 now at least. 2. Inventories and receivables are totalled together. 3. Requirement at present annual rate for all stocks. 4. Less all write-offs before dividends. 5. Earnings reported to be well maintained so far in 1931. 8. Including marketable securities. 9. Earnings being curtailed at present by severe price competition. 10. Not including equal amount disbursed as bonus from accumulated foreign profits. 11. Including taxes but not dividends payable. 12. Current earnings are less than dividend rate. 13. Does not include subsidiary shares. 14. Not including investment securities of $9,618,937 which are evidently not for sale. 15. Highly liquid. 16. Temporary. 17. Also accrued liabilities not due of $2,577,354. 18. Not including $4,000,000 transferred to general reserves. 19. Not including investments of $136,807. 20. Earnings show tendency to recover. 21. Not including more than $16,000,000 in accrued liabilities for taxes, rentals and contingencies. 22. Not including extra. 23. Not including stock bonus of 5 per cent. 24. Including Australian cash and bonds. 25. Including Australian. 26. May be $12,000,000 by now.

STOCKHOLDERS CONSIDER OFFER MADE TO C. N. R.

Grand Trunk Perpetual Stock Committee Issues Bulletin

From Our Own Correspondent

MONTREAL. — Investigation of the rights attached to the first and second Grand Trunk perpetual preferred stocks has been concluded by the Grand Trunk Perpetual Stocks Committee, and the holders have been circularized to the effect that reconsideration must be given to the offer made to Sir Henry Thornton in order to clear title to the Grand Trunk American lines, namely, £140 for the first preference stock and £115 for the second preference stock.

The committee claims that the company should offer 1874 perpetual 5 per cent debentures in exchange for their certificates, plus accrued interest.

Set Forth Findings

The text of the circular dated May 11, 1931, and sent out to holders of the stocks by the committee reads:

"The original 6 per cent Preferential Bonds were redeemable in 1876-9 and were secured by the 1856 prior lien on the whole undertaking in Canada, America and Great Britain. This included real property in all three countries. The Canadian Statute of 1873 converted these Bonds into Perpetual Preference Stocks, but the Act could not be enforced against dissentients who stood on their individual rights of foreclosure on the American property and refused to exchange their Bonds. This difficulty was met by the passing of another Canadian Statute in 1874 which enabled the Company to give dissentients 5 per cent Perpetual Debentures in exchange for their old Preferential Bonds. The Company thus fulfilled to the dissentients the Chairman's offer made to all the preferential bondholders at the half-yearly meeting of the Company and reported in the Press on the 21st of March, 1873, as follows: "'The 1st and 2nd Preference Stocks were only asked to give up 1 per cent, having the 5 per cent interest secured to them in cash for ever after.'

"The 1st and 2nd Preference Stockholders accepted their Stocks in exchange for the original Bonds on conditions regarding perpetual dividends and voting rights which were broken by the Company in 1920 and by the 1923 forfeiture.

Want 1874 Debentures

"It is therefore only fair and right that the Company should now offer us 1874 Perpetual 5 per cent Debentures in exchange for our certificates as authorized by the Canadian Statute of 1874. These 5 per cent Debentures are now quoted at 106 but accrued interest must also be paid.

"If Canada is not disposed to do this, it is suggested that the English Courts be asked to adjudicate on the contractual relations between us and the Canadian National Railways and as to the validity of the Canadian Order-in-Council of 1923 which we claim is a nullity as regards our rights.

"We are advised that the American Courts will enforce any such English decision on the Grand Trunk's American property and our preferential charge puts us in America ahead of all other debenture stock of the Grand Trunk Company as regards the very valuable American property. The original charge carried 6 per cent interest and we claim 14 years of back interest, counting from the date on which the United States of America entered the Great War and took over the management of the Grand Trunk American Railways; that is to say, we claim that our £100 stock is worth £184 with accrued interest."

Says H.B. Stores Are Not to be Sold

From Our Own Correspondent

WINNIPEG.—During recent weeks there have been a number of rumors in circulation to the effect that the Hudson's Bay Co. has been in negotiation with different interests for the sale of its stores at Winnipeg, Calgary and Vancouver.

These have now been set at rest by a statement from Geo. W. Allan, K.C., chairman of the Canadian committee of the Hudson's Bay Company, who states that no such move is contemplated, and that no such negotiations have been in progress. He further points out that the control of the stores has rested entirely with the Canadian committee.

Trail Ore Receipts

Following is a statement of ore received at the trail smelter, for the period May 15th to 21st, 1931, inclusive:

Name of Mine	Locality	Tons
Bell	Beaverdell	50
Midnight	Rossland	32
Union	Lynch-Creek	43
Totals		125
Total Company		5,651
Grand Total		6,776

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South Africa: L. C. Carrick, Johannesburg.
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Armed With Many Millions, Great Canadian Companies Face Future Well Prepared

Consolidated Savings of Past Years Are Now Very Present Helps

CAN RIDE OUT STORM

Are Ready to Take Immediate Advantage of Reviving Demand—Meanwhile Strength is Unimpaired

Although earnings of many Canadian companies have declined as a result of the business depression, report after report is encouraging in view of the fact that the companies have continued to show in many cases a strong working capital position and to have improved current asset strength in the face of lower earnings.

This financial strength has been in the case not only of companies which have maintained dividends but of a number that have decreased dividends and of some that have dropped dividends for the time being altogether.

Directors are quite widely acting on the assumption that, whatever the immediate future holds for business, those companies are doing best by the shareholders, the bondholders, the employees and all concerned, when they place first of all in their corporate policy the maintenance of a strong financial position. These companies can best stand the "gaff" in an industry which may not recover quite as quickly as general business does, and in industries where revival comes most quickly they will be in a position to take quick advantage of it.

Public utility companies, aside from transportation companies, have probably felt the depression least. Many of them also have a constant inflow of funds because of the nature of their business and so are able to get along with what would be a serious deficiency of working capital in another business.

Bell Telephone is Strong

Bell Telephone Co., for instance, whose dividend of 8 per cent has been paid continuously since 1891, apparently had a small deficiency in working capital at the end of 1930, current assets being 97 per cent of current liabilities. In the last decade current assets at their highest were never more than 1.75 times current liabilities and they have been as low as 77 per cent of current liabilities. In addition to that, the company did not quite earn its dividend in 1925, 1926 and 1930. Yet no one seriously fears for the continuance of this dividend. The company has great reserves of strength. Investment securities alone totalled $9,618,937 at the end of 1930 and were not included by the company among its current assets. Huge amounts have been written off for depreciation, the 1930 appropriation for this purpose alone being $8,528,858. Revenues from outside investments are growing, and the total of investment securities is about two and a half times what it was at the end of 1928.

Brazilian Well Entrenched

Brazilian Traction Light & Power Co. is keeping up its earnings in milreis and it confronts whatever business troubles there may be as a result of disturbed business conditions with working capital of $14,113,132, of which cash forms $6,542,480. Bond interest is being steadily reduced year after year and reserves are well maintained. If the Brazilian governments of the past had built up as strong a situation for the country, shareholders of Brazilian Traction would be happy because they would not be as anxious as they now are about fluctuations of the milreis.

Armed With Many Millions

In the accompanying table, showing the financial strength of 30 Canadian companies, the list is illustrative rather than complete and could have included other strong companies with many millions in consolidated savings from operations of the past years to help them ride out any storm. It is sufficiently long, however, to show how well from this standpoint many of the principal companies in Canada are doing. Even though International Nickel's earnings position has changed for the worse in 1931 as compared with 1930, and it is not at the moment earning its present dividend, a company with $30,000,000 in working capital, of which $10,000,000 is practically cash, is obviously ready instantaneously to take advantage of any improvement in demand. Canadian Pacific has likewise more than $68,000,000 in working capital with $47,000,000 of this almost as liquid as cash to help it confront whatever comes even though the dividend should not be earned for a time.

Ford of Canada with $27,552,607 in working capital, Imperial Oil with $63,210,511, Massey-Harris with $41,000,000 (low in liquids, however), Page-Hersey with $6,000,000, Canadian Canners with $7,000,000, Canadian General Electric with $15,600,000, Simpson's with $9,600,000, and Steel of Canada with nearly $14,000,000 are evidently able to withstand more than any ordinary strain. It will be seen by the table that quite a number of these companies have been able to earn more than present dividends even under current conditions.

Present Trends Vary

Reference has been made to the fact that Massey-Harris, though having $41,000,000 in working capital, is low comparatively in liquid assets. Even if it owes the banks $12,000,000 at present, farmers all over the world owe the company twice as much, and it has in addition inventories almost twice the value of bank loans of goods to sell to solvent farmers. It is easy to see how a revival in agriculture—the world's most essential industry—would solve all its immediate difficulties and arouse once more stock market interest in its preferred and common stocks. Because agriculture is for the present depressed, the company's current assets are slow current assets; it has great potential strength rather than great current strength.

On the other hand are companies like the radio manufacturers which have in some cases even increased the totals of business done and profits earned. There are the merchandising companies such as Simpson's, Dominion Stores, Loblaw's, Fanny Farmer and Laura Secord which have either maintained in great part their earnings even increased them. There may have been sharp falls in demand and therefore in prices of products of Service Station Equipment Co., Gypsum, Lime & Alabastine, Consolidated Smelters, International Nickel but with strong current position practically all of them can rest reasonably confident that they can stem the present difficulties until good business comes again.

There is doubtless more than financial strength to consider by a purchaser of securities of a company. An important thing to know is whether an industry is moving with the trend of the times. For example, the growing trend to motor cars and trucks to transport passengers and freight is an item in favor of the best managed and equipped motor car companies and one against railroad and street railway companies which are having their earnings progressively clipped in this way. These trends will continue when the depression is over. But whether the company is running with the tide or against it, temporarily, financial strength is the steam in the boiler.

Further Additions To Silk Plants

Associated Textiles at Louisville, Que., whose plant was put into operation about a year ago, has broken ground for an addition which when completed will nearly double the number of looms presently in operation. The capacity of the plant at present is 45,000 yards of natural silk goods a week.

Another addition to the silk industry is Brupbacher Silk Mills, which constructed a modern plant at Valleyfield last year, while another company plans to erect a silk plant at Hawkesbury. Canadian Tissages Soieries Reunis of Cap de la Madeleine recently increased its productive capacity and is now employing about 200 people.

Output of Vacuum Cleaners Attains Value of $3,862,998

Production of vacuum cleaners in Canada during 1930 by four manufacturers amounted to 108,927 units valued at $3,862,998 according to brief report of the industry just issued by the Dominion Bureau of Statistics. During the year imports amounted to 12,159 units valued at $673,302 while exports numbered 56,092 units valued at $2,232,011.

Practically all imports came from the United States while the United Kingdom took Canadian-made machines to the value of $1,742,546 and Germany took $231,362. Of the exports some 84 per cent went to the British Empire; while Germany took 10 per cent; the Netherlands 4 per cent and Switzerland about 2 per cent.

M. J. O'BRIEN, LTD., SOLD ITS CONTROL OF SEAMAN KENT

Has Had No Interest in Company Since Good Year of 1924

The Financial Post is informed by M. J. O'Brien, Ltd., that the story in last week's issue under the heading, "Seaman Kent Cannot Meet Bond Interest" erred in stating that the bond issue was first publicly offered in December, 1924, "just after control of the company had been secured by the M. J. O'Brien interests of Ottawa" and that "the bond issue was meant to recoup the O'Briens for building a new mill for the company at Renfrew."

The exact facts, The Financial Post is informed, were that M. J. O'Brien, Ltd., bought an interest in Seaman Kent Co., Ltd., in the fall of 1923, the remaining interest being owned by Frank Kent and his associates. Although J. A. O'Brien was elected president of the company in August, 1924, M. J. O'Brien, Ltd., did not acquire a controlling interest until November 21, 1924, prior to which date the Renfrew mill had been completed and was in operation for several months. This mill was built by Seaman Kent Co., Ltd., and not by M. J. O'Brien, Ltd.

Mr. O'Brien resigned as president in January, 1925, when the whole of the interest of M. J. O'Brien, Ltd., was sold. Frank Kent was then reelected president with George Edwards as chairman of the board.

It is therefore apparent that M. J. O'Brien, Ltd., has had no interest in the company since 1924, during the period when its fortunes had changed considerably for the worse. It had accepted in January, 1925, what it considered to be an attractive offer for its stock in Seaman Kent Co., a few weeks after the bond issue had been negotiated.

BRITISH DOMINION NET PROFIT IS $31,777

No. 3 Well Now Awaiting Official Production Test

Annual report of British Dominion Oil & Development Corp., operating in Turner Valley, Alta., showed a net profit of $31,777 for the year ended March 31 last.

This company has extensive holdings in Turner Valley, Waite Valley, New Valley and the Monarch field, but development has been confined to drilling three wells in Turner Valley. No. 1 well was abandoned as dry, No. 2 well reached production late in 1929 and No. 3 well was recently shot with nitro-glycerine, but official production test has not yet been made. During the calendar year ended December 31 last, production from No. 2 well as marketed to the Imperial refinery at Calgary, totalled 17,976 barrels of crude naphtha and 5,735 barrels of crude oil. Production for the first quarter of the current year has averaged approximately 50 barrels per day.

The balance sheet as at March 31 last showed current assets of $39,061 including $34,075 in Government bonds. Current liabilities were shown at $11,039 giving a net working capital of $28,022.

The income account for the past fiscal year, together with the three months' period from the commencement of production to March 31, 1930, is as follows:

Income Account

	Year ended March 31 1931 $	3 mos. ended March 31 1930 $
Oil and gas sold	94,093	32,946
Oil on hand	230	1,238
	94,323	34,184
Int. on investments	4,121	1,524
Transfer fees	....	91
Gross income	98,444	35,799
Less:		
Royalties	22,637	8,204
Production exp.	11,906	1,789
Separation exp.	9,981	1,677
Depreciation	22,143	258
Net profit	31,777	23,871
Add prev. net profit	23,871	....
Less deprec. yr. ended March 31, 1930	16,471	....
To development acct.	39,177	23,871

Joins Bongard & Co.

W. H. Gunn, who has been with Watt & Watt, brokers, of Toronto, for the last five years, has entered the brokerage firm of Bongard & Co., Toronto, Montreal, New York and London.

Mr. Gunn, in addition to extended financial experiences in Toronto, has had an extensive experience in Western Canada.

Britons Hear Great Things of Dalco Oil

Residents of Great Britain are being deluged with propaganda flamboyantly describing Alberta's potential petroleum resources.

Through the sponsorship of Norman, Bailey & Lloyd, Ltd., a London, England, financial house, shares in Dalco Oil & Gas Co., are offered as an attractive investment. Reference is made to the prominent pioneering work undertaken by this company and its leases covering 21,912 acres in one of the richest potential oil producing areas of Alberta. It is pointed out that wells can be drilled every 6½ acres and estimates of earnings are based on 1,000 barrels of crude oil per day. The producing horizon is mentioned as approximately 2,850 ft.

Dalco has drilled one well in the Milk River area to a depth of approximately 2,400 ft. There are no commercial producers in the area.

Dalco Oil & Gas Co. is a promotion of J. C. Dallas.

Weighted Mining Index

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base of 1926=100, was 68.8 for the week ending May 28th, as compared with 75.0 for the previous week.

NOR. CANADIAN MTG. REVISES ITS CAPITAL

Profits Less But Reserves Set Up; Preferred Dividend Paid

Northern Canadian Mortgage Co., Winnipeg, for the year ended March 31, 1931, earned $33,713 before write-offs, compared with $36,596 in the previous year.

The company has reorganized its capital structure, with the result that the capital liability has been reduced from $671,435 to $448,874, this change enabling the directors to create various reserves for depreciation on real estate, mortgages and agreements and on stocks. The capital, formerly in $50 par value stock, fully paid and partly paid, now consists of $203,950 in full paid preferred shares, $127,056 in partly paid preferred shares and 13,618 common shares carried at $117,867.

Bank loan has been decreased from $35,000 to $25,000. Total reserves are in the neighborhood of $220,000. The company has $654,834 in mortgage loans and agreements, against which are prior encumbrances of $157,773. Real estate is carried at $269,112, against which are prior encumbrances of $61,036. Book value of stocks is $20,779 and these at the date of the report had a market value of $15,583. The reserve for depreciation in this item was $2,912.

The company on April 15 paid a 1½ per cent dividend on the preferred stock.

Following is the comparative profit loss and earnings record:

PROFIT AND LOSS ACCOUNT
Years Ended March 31

	1931 $	1930 $
Earnings	61,901	73,652
Less:		
Expenses, etc.	28,251	37,056
Profits	33,650	36,596
Other profits	65	....
	33,715	36,596
Less:		
Inc. tax 1928 bal.	3	....
Income tax 1929	....	378
Reorgan. expense	2,014	....
W/o real est. & agree.	17,510	....
Deprec. res.	221,886	....
Balance	*207,698	36,218
Dividend	4,963	52,448
	*212,661	*16,230
Trans. to cap. acct.	222,653	....
Trans. to conting.	....	35,813
Prev. balance	1,444	63,486
Bal. carr. forward	11,436	1,443

*Loss.

Earnings Record
Years Ended March 31

Year	Paid-up Capital	Profits	Earn. %	Div. Rate
1927*	$626,653	$31,643	5.0	6
1928	638,603	33,637	5.2	5
1929	650,852	41,853	6.4	5
1930	671,435	36,596	5.5	5
1931	‡448,873	†33,650	7.5	1½(a)

*For 10 months.
†Before providing for depreciation.
‡Consists of $331,006 preferred stock and $117,867 common.
(a) On preferred.

Abolish Ten Customs Ports

Ten customs ports or outports have been abolished since July, 1930, it was stated in the House of Commons recently in reply to a question put by Hon. W. D. Euler (Lib. Waterloo South). Of these five were in Nova Scotia, New Campbellton, Lingan, Port Dufferin, Vogler's Cove and Sonora. Three were in Manitoba, Souris, Virden and Mowbray. One Port Dalhousie, was in Ontario, and another Syhouts, in Saskatchewan.

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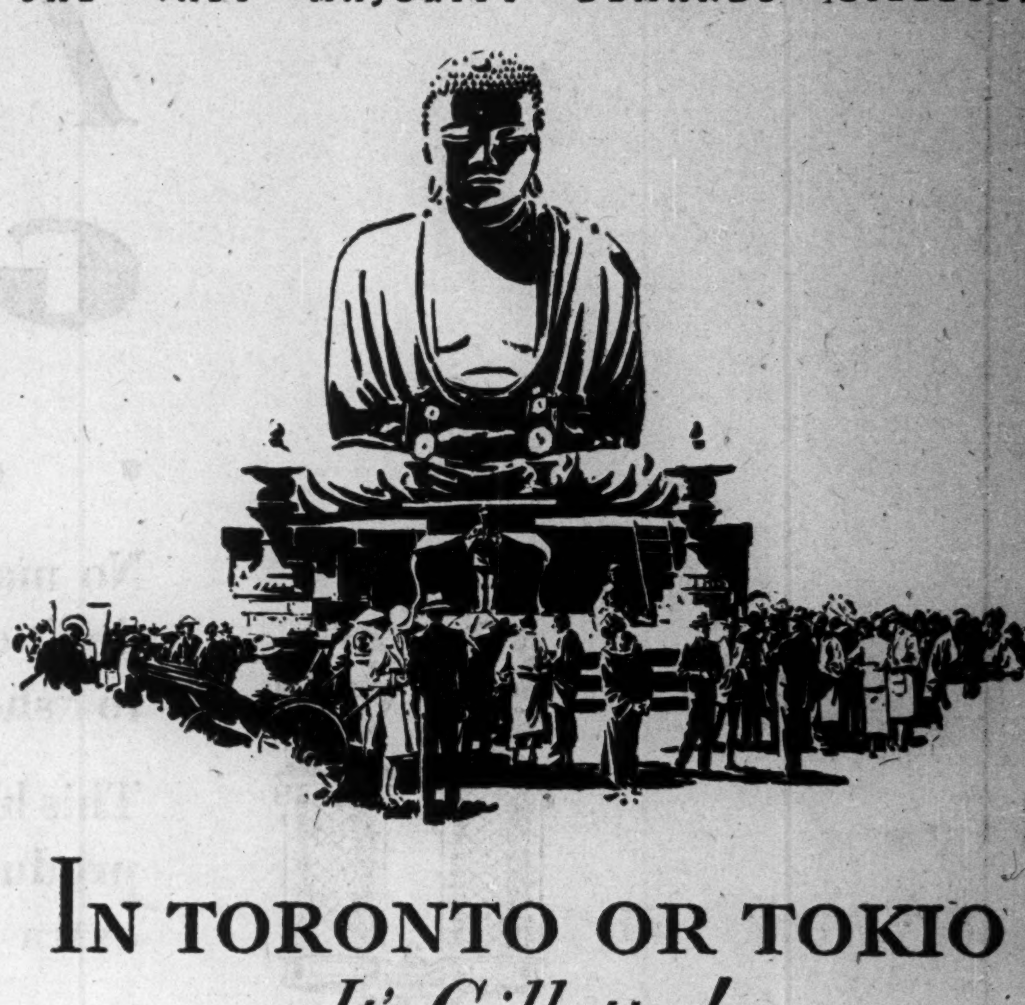

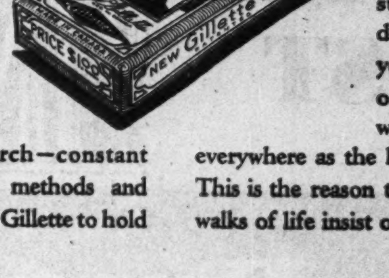

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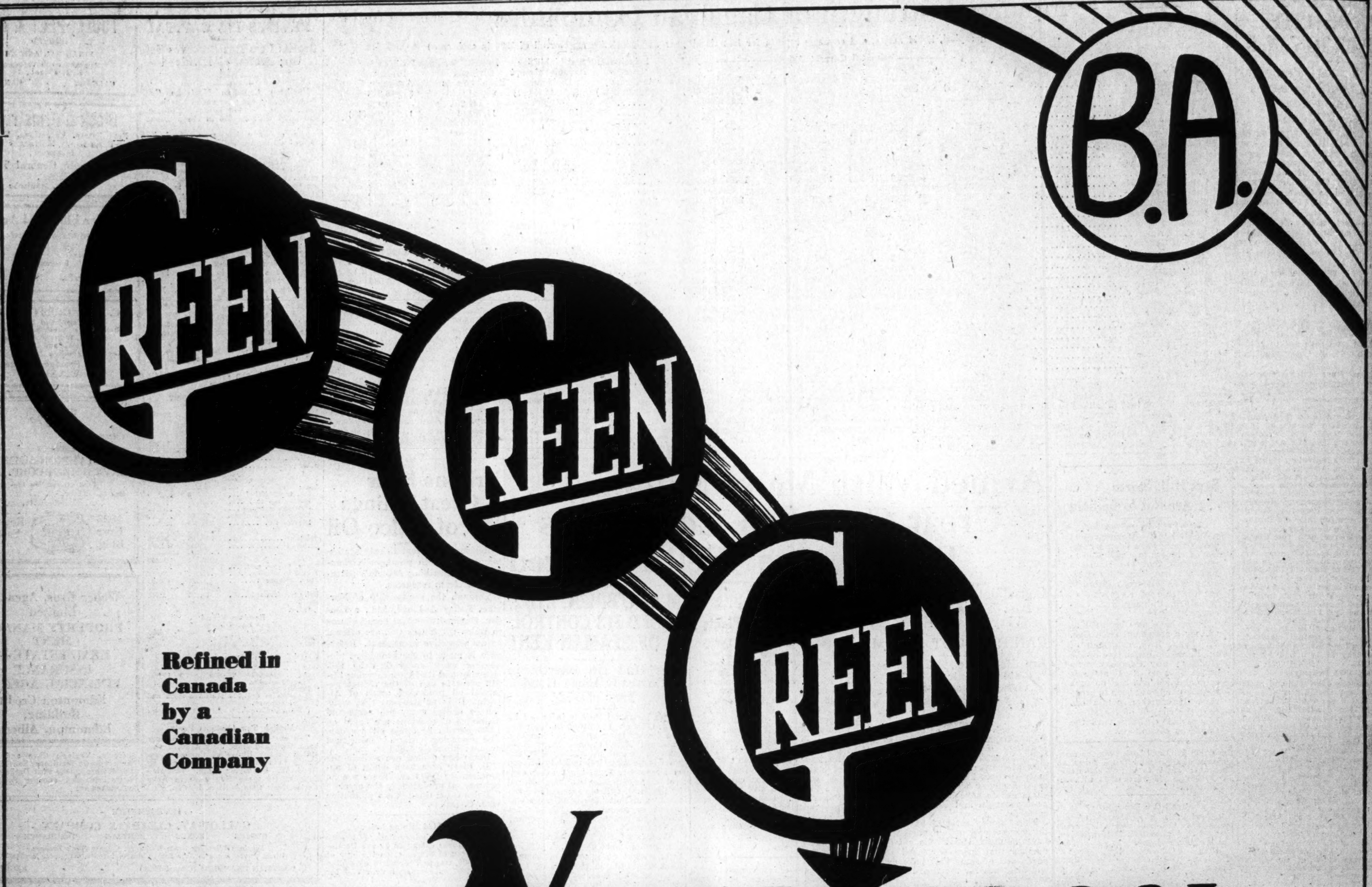

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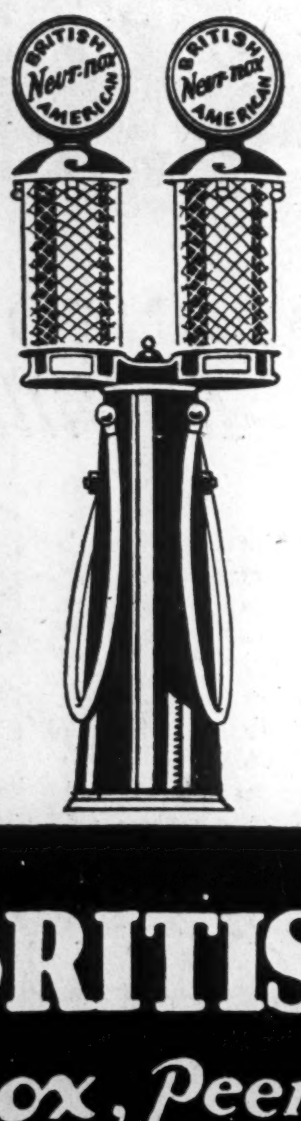

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